

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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D 8523 B

International
monetary
reform; Page 15

Austria	Sch. 15	Luxembourg	Fr. 35
Belgium	Fr. 35	Malta	Fr. 35
Canada	C\$2.50	Netherlands	Fl. 2.25
Denmark	Kr. 12.00	Norway	Kr. 6
Finland	Fr. 5.00	Portugal	Esc. 50
France	Fr. 5.00	Spain	Es. 50
Germany	DM. 2.00		
Greece	Dr. 50		
Indonesia	Rp. 1650	Sweden	Kr. 6.50
Ireland	£1.100	Switzerland	Fr. 2
Italy	£1.100	Turkey	L. 160
Japan	Yen 550	U.S.A.	\$1.50

NEWS SUMMARY

GENERAL

Harare senator killed by rebels

Zimbabwe senator Paul Savage, his daughter Colleen and a young woman friend from Britain were killed by a group of 20 to 30 dissidents who attacked the family ranch 80 miles south of Bulawayo at the weekend. Mrs Savage was seriously injured.

The killings followed a weekend facility trip to Matabeleland in which journalists were told by the Government that because the National Army had been successful in driving out the dissidents, the down-to-the-ditch conflict was being lifted in many parts of the troubled province. Page 2

Sandinistas in control

The Nicaraguan Sandinista army appeared to be in control of the northern region of Nuevo Segovia where two columns of 'counter-revolutionary forces' had entered from Honduras in February. The army claimed the rebel forces had been virtually wiped out. Page 16

Critical PLO talks

Leaders of the Palestine Liberation Organisation met in Jordan for critical talks which could affect the fate of the Reagan Middle East peace plan. Page 16

Peru violence

Political violence in the mountains of Peru claimed the lives of 328 people in the first quarter of this year, almost double the number in the whole of 1982.

Botha 'no' to talks

South African Prime Minister P.W. Botha rejected an offer from Zambia's President Kenneth Kaunda to arrange a meeting with Pretoria's opponents, including the leader of Swapo, Sam Nujoma. Page 2

Bombing denounced

Central newspapers described a weekend bomb attack on a hotel by 70 officials of the New Democracy Party were as an attempt to undermine the country's stability.

Mystery illness probe

Two experts from the U.S. Centre for Disease Control in Atlanta, Georgia, arrived in Israel to investigate the mystery illness that has struck about 500 Palestinians in the West Bank.

Shuttle takes off

The new U.S. space shuttle Challenger took off from the Kennedy space centre, Florida, with a crew of four on board, it is to orbit earth 11 times before landing in California on Saturday.

Hartkopf resigns

Günter Hartkopf, Minister of State in the West German Interior Ministry since 1980, said he was resigning for 'general political reasons.'

Rome fraud arrests

Rome police arrested two men on charges of defrauding more than 50 companies of 5bn lire (\$3.5m) worth of merchandise in a complicated confidence trick.

Gloria Swanson dies

Gloria Swanson, the American silent movie queen, died aged 84 at a New York hospital after a brief illness.

Briefly...

Quake of 5.5 on Richter Scale injured scores in North Sumatran city Banda Aceh, Indonesia.

Portuguese national rail strike enters sixth day with no agreement in sight.

Australia is to protest to France about expected nuclear tests at Mururoa Atoll in French Polynesia.

BUSINESS

Indonesia exchange losses to be probed

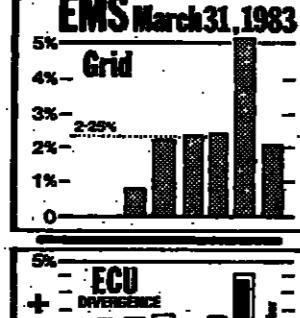
• INDONESIA's central bank, Bank Indonesia, is to set up a committee to investigate complaints that several of the country's foreign exchange banks made substantial losses because of the way in which last week's 27.5 per cent devaluation was handled.

Bankers believed Wednesday's trading in foreign exchange was one of the heaviest ever as speculators that a devaluation would soon take place reached fever pitch. The banks are believed to have put in requests early that morning for purchases of over \$150m, but these were turned down. Page 16

• WALL STREET closed down 2.42 at 12,751. Page 17

• TOKYO: Nikkei Dow index rose 6.23 to 8,485.82 and the Stock Exchange index fell 0.86 to 614.55. Re-

port Page 17.



• THE D-MARK was fixed at its lowest permitted level against the French franc, Irish punt and Danish krone in the European Monetary System last week. At the same time it rose to a record level against the Dutch guilder.

Central banks were active in the market, notably the Bundesbank and Bank of France in an effort to keep currencies within established bands. A relieve of pressure following the recent realignment allowed the Belgian central bank to reduce some domestic interest rates and relax two of the four emergency exchange measures introduced some weeks ago to defend the Belgian franc.

The Italian lira was the strongest member of the system and the D-Mark the weakest.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 3% per cent. The lower chart gives each currency's divergence from its 'central rate' against the European Currency Unit (ECU), itself a basket of European currencies.

• JAPAN is to protest the U.S. decision to impose tariff increases on the import of large motorcycles. Page 3

• CHILE's emergency economic package announced last month has been met with mixed reaction from business and labour.

• EGYPT is seeking international bids for a pressurised water reactor to be set up at Al Daba on the north-west coast. Page 3

• SWITZERLAND has signed contracts with British Nuclear Fuels for the reprocessing of used nuclear fuels from Switzerland's five plants. Page 3.

• SWITZERLAND's gross domestic product dropped by 1.3 per cent in real terms last year, official estimates say.

• THE BRITISH Government is seeking an urgent meeting with Pergen-Citroen chairman Jean-Paul Fariye to protest at the group's decision to reorganise its Talbot headquarters in Coventry with job losses. Page 16

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German peace marchers mount first challenge to Kohl N-policy

BY JAMES BUCHAN IN BONN

ABOUT a quarter of a million West Germans took part in rallies, marches and passive blockades over Easter in protest against nuclear armament and above all the plans to station new U.S. nuclear missiles in the country from the end of this year.

This first test of strength between the active 'peace movement' and Chancellor Helmut Kohl's Centre-Right coalition committed to Nato policy passed relatively quietly.

A number of arrests occurred in Berlin on Sunday where a crowd defied the allied commander's ban on demonstrations near military installations by blockading a U.S. ra-

dar station. The 160 people held were all later released.

The Frankfurt co-ordinators of the 90-odd events said that around 300,000 people had taken part up to Sunday evening while a further 160,000 turned out to demonstrations in large cities yesterday. With many people counted more than once, it seemed unlikely that the turn out matched the 500,000 who protested during President Reagan's visit to Bonn last June. Wet weather at the beginning of the weekend was blamed.

The 'peace movement', a coalition of several thousand church, environmental and anti-nuclear groups supported in parliament by

the Greens and many on the Social Democrat Left, plans a graduated series of protests reaching a climax with blockades of the missile sites in October.

In a sign of what the autumn could bring, police on Friday used teargas and dogs to disperse a blockade of the Wiley U.S. airbase at Neu-Ulm in Bavaria, regarded as a likely site for some of the 108 Pershing-2 missiles allotted to Germany by Nato and which the U.S. will start stationing this year. The Pershing-2 is regarded by the peace movement as a first-strike weapon.

Mr Kohl, meanwhile, has accepted

invitations from the U.S. and Soviet leaders to visit Washington and Moscow this year.

from outside the base, said that Moscow's rejection of the U.S. offer to negotiate an 'interim' balance in European theatre missiles - which would now the less include new U.S. systems in Europe - was 'totally understandable.'

Herr Carl Dietrich Spranger, parliamentary state secretary at the Interior Ministry in Bonn, said the Easter marchers 'served to support Soviet policy, which threatens us.'

The demonstration was held during a government-sponsored march to commemorate the bombing of Je- na during World War II.

Some 100 demonstrators, mingling with official marchers, held up hand-lettered placards with the slogan of the unofficial peace movement: 'Swords into ploughshares.'

• East German peace demonstra-

slogans. Other signs held up by the peace marchers said: 'No future without peace,' 'Make peace without weapons' and 'No war toys.'

The demonstrators were able to hold a brief anti-nuclear arms rally in the Thuringian city of Jena on March 18, before being dispersed by security police according to photos and accounts of the demonstration now reaching Berlin, Leslie Coffit writes.

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• East German peace demonstra-

Japan rejects Soviet 'right' to station missiles in Far East

BY JUREK MARTIN IN TOKYO

JAPAN HAS rejected as 'out of the question and unacceptable' the Soviet Union's claim that it has the right to station intermediate range nuclear missiles in the Far East.

Mr Yasuhiro Nakasone, the Japanese Prime Minister, and other government officials flatly denied a charge by Soviet Foreign Minister Mr Andrei Gromyko, that the U.S. already has nuclear weapons deployed on Japanese soil. Mr Gromyko said the presence of U.S. missiles justified Soviet counter-measures in Siberia.

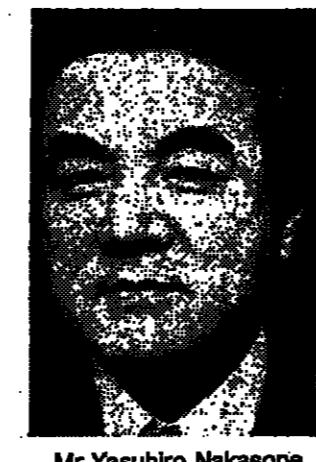
Mr Nakasone said Japan will demand that the Soviet Union withdraw its SS20 missiles from Siberia when officials from the two countries meet in Tokyo next week to previously scheduled discussions.

The vehemence of Japanese statements in the last 48 hours, after Soviet dismissal of President Reagan's latest offer on European missile reduction, reflects the coolness of Japanese-Soviet relations and is in line with Japan's long-standing position on arms reduction.

Japan has been one of the staunchest supporters of Mr Reagan's 'zero option' proposal, because it has assumed that the zero option implied the dismantling of all intermediate range nuclear missiles, whether stationed in Europe or elsewhere. The Japanese view has always been a potential complication for the U.S. in the Geneva negotiations covering the European theatre.

Japanese officials were similarly pleased at Mr Reagan's reference last week to the need for reduced missile deployment 'on a global basis'. Mr Gromyko went so far as to send Mr Nakasone a personal letter outlining in advance his new stance. Normally, such a letter would only have gone to Nato heads of state.

This became apparent two months ago when Mr George Bush



Mr Yasuhiro Nakasone

the subsequent Tokyo reaction make clear, do not solve the problem of the Japanese position. Mr Nakasone has told Washington that any missile reductions in Europe must not, in Japan's view, be agreed if Asian and Japanese interests are sacrificed.

'The U.S. alone,' he said, 'has influence to make the Soviets abandon bringing SS20s to Asia.' To this end, he went on, Japan must improve its own defence capability to demonstrate its reliability as an ally of the U.S. This in turn, would make it more desirable for the U.S. to negotiate an agreement with the Soviet Union that did not entail the transfer of Soviet missiles from Europe to Asia.

The problem for Mr Nakasone has been that the hawkishness implicit in such comments is not, according to most opinion polls, enhancing his domestic popularity. Although the Japanese public has not been in the vanguard of the international anti-nuclear missile movement (last month's visit to a Japanese port of the missile-carrying U.S. aircraft carrier Enterprise passed with minimal protest), defence has high political visibility here.

The Japanese political establishment still appears to hold firm to its non-nuclear principles: that Japan will not possess, use or permit the introduction of nuclear weapons into the country, even from the U.S. Thus the Japanese stake in arms control is considerable - as is its nervousness when it appears isolated.

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WORLD TRADE NEWS

Swiss, UK sign nuclear fuel reprocessing deals

By ANTHONY McDERMOTT IN BERN

CONTRACTS HAVE been signed in Switzerland with British Nuclear Fuels (BNFL) for the reprocessing of used nuclear fuels from Switzerland's five nuclear plants—all but one of which are in operation.

According to the Bern-based Swiss Association for Atomic Energy (SVA), through these contracts and others with France, Switzerland has secured the means for reprocessing nuclear fuels "until far into the 1990s."

The four operational plants

are at Beznau (one and two) and Gitteren in the Basel area, and the fourth at Mühleberg, west of Bern. According to the SVA, the agreements with BNFL involve the reprocessing of about 220 tons of used nuclear fuel.

When operations begin at the fifth plant at Leibstadt, also near Basle—this is planned for next year—the plants in operation will use annually somewhat less than 100 tons of nuclear fuels. After reprocessing by BNFL, the uranium and

plutonium regained will be available for use by power stations again.

The agreement is bound to provoke reaction among the Swiss anti-nuclear movement. According to the SVA some of the highly radioactive waste of this reprocessed material will possibly be brought back to Switzerland for storage in the 1990s—a controversial issue already under study by the National Association for the Storage of Radioactive Waste (Nagra) here.

DR MAHATHIR MOHAMED, the Malaysian Prime Minister, has formally announced the end of the "buy British last" policy, saying that in future, British goods would be treated on an equal basis as those of their competitors.

He said over the weekend that Government agencies would no longer be required to submit proposals from British exporters and contractors to the implementation and co-ordination unit of the Prime Minister's department for approval.

Dr Mahathir acknowledged that the anti-British directive had not had the widespread impact as Britain had feared largely because the fall in the value of sterling had made British goods cheap in Malaysia.

The Malaysian leader issued the famous directive in October 1981 and caught the British Minister of Trade, Mr Peter Rees, then in Kuala Lumpur with a trade mission, completely off guard.

The immediate reason for the directive was Dr Mahathir's anger over the change in the takeover rules in the London Stock Exchange, shortly after the successful acquisition of Guther Corporation by the Government-owned investment agency, Permodalan Nasional. Although British authorities stressed that the changes were long overdue, Dr Mahathir regarded the timing as directed against Malaysia.

The Malaysian leader later expanded on the reasons behind the directive, saying Britain had taken Malaysia for granted, and had been insensitive to Malaysian aspirations, in particular over the New Economic Policy, which aims to buy back Malaysian assets to increase Malay ownership to 30 per cent by 1990.

Since then, the British Foreign Office and business community had been working quietly to bring bilateral relations on an even keel. Various missions, both parliamentary and business groups, were sent to Malaysia, while Malaysian leaders visiting London were accorded favourable treatment.

THE NEPPA has at the same time asked France to delay the submission of tenders for units 1 and 2 to the same date. Units 1 and 2 are also to be built at Al Daba on the northwest coast 160 km west of Alexandria.

The power plant will be of two 1,000 MW units, numbered 1 and 4 by the Egyptian Nuclear Power Plants Authority (NEPPA) in the series of eight units Egypt is hoping to build by the year 2000.

Bids for 3 and 4 are invited from companies in France, the U.S. and West Germany, with which Egypt has signed bilateral nuclear co-operation agreements. Competent bidders are invited to submit a complete technical, commercial and financial bid for the turnkey project.

off any increase in the fund for the time being.

Egypt has told France it was seeking almost 90 per cent financing in the form of soft loans to cover the convertible currency costs, estimated at 80 per cent of the \$1bn per unit.

Although the NEPPA has by delaying the awarding of a contract on units 1 and 2 sought to obtain more favourable financial terms, it is unlikely to get from the U.S. or West Germany better terms than it could through the French Government and 1 and 2 will likely be the first to be built.

Companies likely to tender bids for 3 and 4 include Framatome of France, Westinghouse of the U.S. and BICC of West Germany. But falling oil prices have cut

that the U.S. take "compensatory" action under article 19 of Gatt. This could entail, for example, the U.S. cutting duties or tariff increases on the import of large motorcycles to the U.S.

Mit is also apparently willing to continue to explore the possibility that the Japanese motorcycle industry might come to Harley Davidson's assistance in ways that would not contravene U.S. anti-trust laws.

As previously reported, one such scheme, discussed informally between Mit and the Japanese companies, could involve Suzuki and Yamaha buying up surplus Harley Davidson inventory for a year, with Honda supplying the U.S. concern with technological know-how over a longer period.

One option for the industry itself, specifically Honda and Kawasaki, is to increase production at their existing U.S. plants in Ohio and Nebraska respectively, thus avoiding the increase in import duties. But Yamaha and Suzuki might also have to consider establishing U.S. assembly plants.

Specifically Mit might ask

HELP FOR HARLEY MOOTED

Japan seeks ways to offset U.S. duties

By JUREK MARTIN IN TOKYO

THE JAPANESE Government and industry are considering how to respond to the Reagan Administration's imposition of stiff tariff increases on the import of large motorcycles to the U.S.

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As it is, the swollen inventories of large Japanese

motorcycles in the U.S. is believed to amount to about 200,000 machines, not far short of total sales for last year (when the Japanese manufacturers commanded 85 per cent of the U.S. market). These stocks, presumably also free of the higher duties, could be sold in the coming year.

But if, as some Japanese sources suspect, the administration's purpose is to give Harley Davidson a year to see if it can turn itself around, then the continued presence of competitively priced Japanese motorcycles in U.S. showrooms could invalidate that experimental period.

President Reagan's decision also constitutes something of a psychological blow to the Japanese Government, which had reason to believe that a series of recent actions on the trade front had taken some of the heat out of international complaints about Japanese trading practices.

However, the U.S. action appears to bear more than passing resemblance to the unilateral French move in signifying Japanese exports of video cassette recorders to customs clearance at the remote town of Poitiers. What worries Japan is that the French initiative, for all its breaking of Gatt and European Community rules, undeniably contributed to the subsequent broad agreement restraining Japanese VCR sales to Europe.

● AF-DJ adds: Hitachi's wholly-owned subsidiary in Landsberg, West Germany, will begin production of video cassette recorders three months earlier than originally scheduled, a Hitachi official said yesterday. Hitachi expects its subsidiary, Hitachi Consumer Products (Europe), to produce initially 5,000 units each month from as early as October. The official denied that the change in the production schedule had any direct connection with the agreement in February by Japan and the EEC to limit Japanese VCR exports.

The agreement calls for Japan to hold exports to 4.55m units during fiscal 1983, which ends March 31, 1984.

ECGD backs Peru loan

THE EXPORT Credits

Guarantee Department has guaranteed funding and repayment of a \$10m general purpose line of credit which Midland Bank is making available to Corporation Financiera De Desarrollo (Cofide) of Peru, out World Trade Staff writes.

The loan will help finance the supply of UK capital goods and services. Exporters will receive 85 per cent of the value of eligible contracts direct from the loan.

To qualify under the line of credit a contract must have a minimum eligible value of \$47,000 and be placed by February 1984.

World Economic Indicators

RETAIL PRICE INDICES
(1975 = 100)

	Feb. '83	Jan. '83	Dec. '82	Feb. '82	% change over previous year
UK	242.7	241.8	241.5	238.0	5.3
U.S.	181.6	181.9	181.4	175.8	3.3
W. Germany	138.4	138.6	138.3	133.7	3.5
	Jan. '83	Dec. '82	Nov. '82	Jan. '82	
Japan	149.0	148.7	149.0	146.1	2.0
France	218.0	216.0	214.2	198.7	9.6
Belgium	164.3	164.4	164.5	153.5	8.3
Netherlands	154.7	154.7	155.0	149.8	3.8
Italy	222.4	217.9	215.6	217.4	16.2

Source: Various

Egypt after more N-plant bids

By CHARLES RICHARDS IN CAIRO

EGYPT is seeking international bids for a pressurised water reactor (PWR) to be set up at Al Daba on the northwest coast 160 km west of Alexandria.

The power plant will be of two 1,000 MW units, numbered 1 and 4 by the Egyptian Nuclear Power Plants Authority (NEPPA) in the series of eight units Egypt is hoping to build by the year 2000.

Bids for 3 and 4 are invited from companies in France, the U.S. and West Germany, with which Egypt has signed bilateral nuclear co-operation agreements. Competent bidders are invited to submit a complete technical, commercial and financial bid for the turnkey project.

SHIPPING REPORT

Oil cuts boost still awaited

By ANDREW FISHER

THE TANKER market is tired of waiting for oil price cuts to set off a new round of increased business at higher rates. "Last month," said Fearnleys, the Oslo shipbroking company, "fizzed out with as much sparkle as in the leftovers of yesterday's magnum of champagne."

Whether or not signs of an incipient upturn in shipping rates, at least for dry cargoes, have made brokers more light-headed, it is noteworthy that Fearnleys is still talking of the short-term effect of a U.S. recovery will be very limited."

The contraction of seaborne

trade in the last year or so and the overtrading that resulted from the wave of ordering in 1979 and 1980 has accustomed shipping markets to gloom.

Last week was subdued ahead of Easter. But Fearnleys, in its monthly report, was encouraged by definite signs that an upturn in the U.S. economy was on the way.

It noted that the effect of the recovery and of its impact on Europe would be very much dependent on its strength.

"For the shipping industry, the short-term effect of a U.S. recovery will be very limited."

But Fearnleys reckoned that recent increased activity and rates in dry cargo markets would continue into April.

Coal rates from Hampton Roads on the U.S. east coast went up in March from \$14.50 to \$17.50 a ton. Across the Atlantic, grain rates from the U.S. Gulf to continental Europe for 60-80,000 ton ships improved modestly from \$8.50 to \$8.75.

With the market continuing its gradual recovery from the depressed levels of the past two years, more enquiry was noted for ships needed for periods longer than single voyages.

However, Mr Ongpin said production of higher range engines may yet be offered to Isuzu Motors of Japan, which is currently building a \$40m low-range engine plant in the country. He said that Isuzu has excess capacity and the re-tooling of some of its facilities could yet make the production of high-range engines viable.

The diesel engine programme is one of the Philippine Government's so-called 11 major industrial projects, packaged by Mr Ongpin and aimed at putting the country at the threshold of industrialisation.

● Empain Schneider's Spie Batignolles subsidiary has won a FFr 216m (£21m) contract to build the first of three road sections in the Congo. Reuter reports from Paris. The contract includes the building of a 300m bridge and surfacing of a road between Bokouli and Kole. The work is expected to take 34 months to complete, the company said.

Prudex Engines of the UK and Detroit Diesel of the U.S. have shown interest in the project, but Mr Ongpin said he doubts if these companies will still be interested in view of the expected decline in diesel fuel consumption. "I doubt if they will still push it because it is no longer viable for them," Mr Ongpin said.

Size isn't enough in the business jungle either.

TWO million years ago, the Irish Elk was a well-adapted species.

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UK NEWS

HOPES RISE AS MEETINGS ARE CALLED

Unions get the peace plans in car disputes

By JOHN LLOYD, LABOUR EDITOR

FORMULAS aimed at ending the disputes in Britain's two major motor manufacturers will be put to shop stewards and mass meetings today and tomorrow.

The 5,000 workers at British Leyland's assembly plant at Cowley, where the company's new medium-sized Maestro car is built, will today receive a letter from the company outlining a plan to phase out the traditional three minutes "cleaning-up" time during the next few weeks.

They will also be told that Cowley could soon move to "audited plant status" under which higher bonuses could be earned.

Shop stewards will hold mass meetings tomorrow to discuss the new proposals - though the debate at present is that they will not be sufficient to ensure a return to work.

The company said yesterday it would not offer an extra bonus to remove the cleaning-up time, which is unique to the Cowley plant.

A spokesman said: "Our position is quite firm and quite clear - if Cowley is to improve its efficiency then these minutes have to be removed."

Hopes for a breakthrough in the strike at Ford's Halewood plant,

which today enters its fourth week at a cost in lost production of about £75m, depend on the outcome of a meeting this morning between Mr Ron Todd, the senior national officer of the Transport and General Workers' Union and local union officials.

Mr Todd will outline a formula reached by union and company officials last week at the Advisory, Consultative and Arbitration Service, under which production will resume while a three-strong inquiry team investigates the cause of the dispute.

The strike began after a line worker, Mr Paul Kelly, was dismissed for allegedly damaging a bracket in a car under production. An issue still unresolved between the two sides is payment for Mr Kelly while the inquiry takes place.

The company has proposed an ex gratia payment, while the union wants a payment in line with his average wage.

A separate dispute looms at the plant over plans to offer redundancy payments to about 1,200 workers. Compromise proposals aimed at ending the three-week strike of dockers in the Port of London seem likely to be agreed at a meeting be-

Six Conservative MPs likely to end up without seats

By JOHN HUNT

IT now seems likely that about six Conservative MPs will be left without seats for the next general election as a result of the extensive changes to constituency boundaries.

The new proposals, thrashed out by the local arbitration council late on Thursday night, go some way towards achieving parity between the two groups, but stop short of the dockers' demand for a minimum wage.

It is understood that the formula includes extra holiday pay and productivity payments.

These will be discussed by management and union officials in the enclosed dockers' joint industrial council tomorrow, and are likely to be put, possibly with a recommendation to accept, to a mass meeting on Thursday.

The dispute is reckoned to have cost the Port of London Authority £2.5m, and has wiped out the £2m Cm profit expected for the past financial year.

The authority said yesterday cargo had been diverted to other UK ports, or to Continental ports for later transhipment.

and Under-Secretary for Employment, and Mr Tim Ieo, director of the Spastics Society, has been chosen for South Suffolk.

A South Suffolk Conservative Action Group has been formed which hopes to bring the matter before a general meeting of the constituency association and to protest at the failure to select Mr Stanton.

About 300 constituency Conservative parties have chosen their prospective candidates and about 280 of the party's sitting MPs are unaffected by the boundary changes.

There are fewer than 70 constituencies where the choice is still being made and the number is dwindling rapidly.

Sitting MPs who find themselves without an end of the day will be encouraged to seek election to the European Parliament and any applications from them will be sympathetically considered.

The failure to select Mr Keith Stanton for either part of his present constituency of Sudbury and Woodbridge has angered many local Tories. His constituency will be divided into Suffolk Coastal and South Suffolk.

Suffolk Coastal has gone to Mr John Selwyn Gummer, MP for Eye

Draft report tries to bring uniformity to pension accounts

By CHRIS CAMERON-JONES

A FIRST attempt to bring some uniformity to the pension fund jungle in UK company financial reporting is ready for publication in draft form, by the accountancy profession.

This was announced by the Accounting Standards Committee (ASC) which has had a working party examining for a year how companies should disclose the costs and liabilities related to employees' pension arrangements.

Disclosure about pension funds, which for most companies are a major financial commitment, is required to be made this year under the 1981 Companies Act. The ASC exposure draft on the subject will represent the first real guidance on the way to satisfy the legislation and should be released before the end of April.

Though the outline proposals describe what should be mentioned in the actuaries' reports, they leave the much tougher problem of actual valuation methods used for further consideration.

Basically they mean that company accounts would have to show arrangements for pensions in an understandable manner; any legal obligation made to maintain the solvency of a fund; how a scheme is paid for; and the accounting policy employed.

They would also have to reveal the charge made in the profit and loss accounts, pointing out any special payments and any commitment to change the rates of contribution in future.

Comments on the draft documents will be sought from interested parties during the next six months.

It was also reported yesterday that final approval has been given to the accounting standard dealing with foreign currency transactions which will be published on April 18, effective from April 1 1983.

In this standard, SSAP 20, the accountants have bowed to objections from the banks on how to treat the effects of foreign exchange move-

ments by dodging the main controversial areas.

Overall application of the standard is aimed at making reported profits of companies more realistic by removing many of the effects of unrealised gains and losses arising from exchange movements.

Reference to "distributable profits" has been deleted and the subject is to be debated further. Second, companies which do not prepare accounts in accordance with the eighth schedule of the new Companies Act, namely banks, insurance companies and some shipping companies, are not required to disclose gains and losses on foreign currency borrowings "or to make disclosure that requires distinction to be made between long and short term monetary items."

Finally the "cover procedure," under which companies match overseas borrowings to overseas investments is extended from consolidated group accounts to those of individual companies.

Eric Short writes: The Life Offices Association and the Associated Scottish Life Offices, the two main official trade bodies of the UK life assurance industry, are perturbed that the Government is not taking any action in the Finance Bill to curb tax avoidance life contracts, beyond clamping down on secondhand bonds.

It is understood that the associations intend to write jointly to Mr Nicholas Ridley, Financial Secretary to the Treasury, seeking an explanation of the official Inland Revenue attitude to tax avoidance schemes.

Last year some companies promoted bonds - the so-called second-hand bonds - which enabled investors to minimise or avoid tax liabilities on life assurance bonds.

Now there has been a switch to marketing another style of plan known as the Capital and Income Bond, which is more tax efficient than secondhand bonds. Some companies are reporting sales of these bonds in excess of £1m a week.



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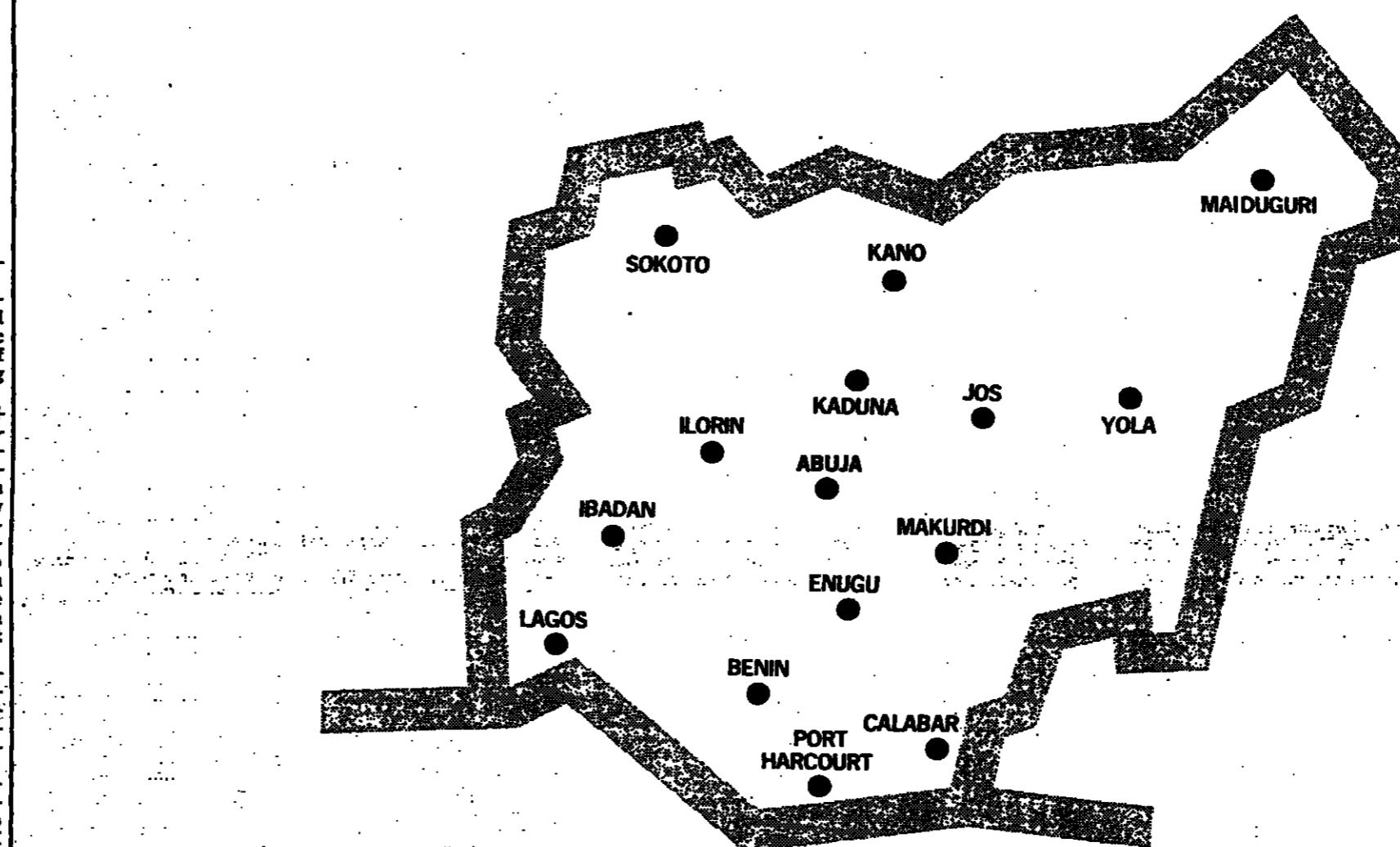
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March 30, 1983

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UK NEWS

'More facts needed' on business flying

By Michael Donne,
Aerospace Correspondent

MUCH more information about the state of business flying in South-East England is essential before adequate facilities for this type of aviation can be provided there.

This broad conclusion emerges from a study prepared by a Department of Trade committee and designed to stimulate discussion on business flying facilities.

The consultation document, which the Government hopes will form the basis for detailed discussions with all interested parties, says studies have been hampered by the lack of reliable statistical information on aviation as a whole and on business aviation in the South-East.

The committee found numerous disagreements between the aviation industry and local authorities and amenity groups and says everyone is in a difficult position "through lack of an agreed measure of demand".

The consultation document (54 post-free) is obtainable from the Department of Trade Library, Room LG31, Victoria Street, London.

A London exhibition confirms a UK fashion revival

British fabrics back on top

By ANTHONY MORETON, TEXTILES CORRESPONDENT

FABREX, WHICH opens tomorrow morning at London's Olympia, will offer further confirmation that Britain's fabric and fashion trades are back on top of the world league.

"There has been a big resurgence in British fashion," says Miss Victoria Poore, who runs the exhibition for Philbeach Events, a subsidiary of Town and City Properties.

"Young British designers are coming home, such as those at Daniel Hechter."

"People are also coming to London to buy because we are an interesting place. All eyes now focus on London, which is again being hailed internationally as the fashion capital of the world."

For those nurtured in the belief that fashion begins and ends in Paris this might seem a large claim. But it is true according to all observers, except the French, and has come about despite the worst recession that the textile and clothing trades have ever known.

Fabrex has played its part in this transformation. At the end of the 1970s the fashion world was dominated by the Paris shows, the giant Intersofit fashion-and-fabric exhibition held in Frankfurt and the plethora of Italian exhibitions in Stresa, Florence and Como.

In the mid-1970s even the French had been forced to set up Première Vision, then in Lyons, as an outlet for their fabric producers to compete with the Germans and Italians, but there was nothing in Britain even though many in the industry wanted a showcase, preferably all-British, for their goods.

Philbeach's decision to launch Fabrex in the spring of 1979, with the encouragement of the British Textile Corporation, was a tremendous gamble according to Miss Poore.

"We were already organising the London Fashion Show, which had been going since the early 1970s, but we had no idea whether a predominantly fabric exhibition would succeed."

"However, our research encouraged us to go ahead and although we had to abandon our original plan to make it an all-British show we have certainly kept a balance which favours the home industry."

The 9th Fabrex tomorrow - the shows are held twice a year - has attracted 300 exhibitors, of which two-thirds are British - a proportion Miss Poore wants to see maintained.

Some 8,000 buyers are expected from around the world.

This is small by comparison with Intersofit, which in its 20-year life has become a massive exhibition, attracting some 900 exhibitors and over 10,000 buyers.

Some British exhibitors, however,

detected a falling-off in support for Intersofit, partly because of the success of Fabrex. Mr Edward Stansfield, managing director of Salts of Saltaire, part of the Ilkley Morris group, is one of them. He says: "Initially it was questionable whether a home-based fair could become as significant as Intersofit but, within a couple of seasons, it was clear that Fabrex filled a considerable gap in the market."

"This is why our imports are coming in large measure from the highest countries such as Italy, the U.S., Germany and France. With more support from Britain, Fabrex, which gives priority to British companies, could in turn feed back into British industry."

One of the complaints that is heard is that the British effort is being dissipated through a duplication of shows. In particular, there is criticism that some of the woolen and worsted manufacturers have their own show.

British Wool Textiles at the Dorchester last week attracted 30 or so exhibitors to the club-like atmosphere generated within one of London's leading hotels.

It would seem sensible for the two to be combined, and unofficial approaches have been made to the National Wool Textile Export Corporation, which runs the Dorchester show from Bradford.

With the British Textile Corporation forecasting further redundancies in the industry as imports take an increasing share of the home market, the need is to offer a concerted approach to winning orders.

"British industry does not realise

Leyland unveils fuel-saving system

By John Griffiths

LEYLAND VEHICLES' Advanced Technology Group will today unveil a new continuously variable transmission (CVT) capable of improving fuel consumption in buses by a claimed 30 per cent.

Although initial development work is being concentrated on buses, the commercial vehicles arm of BL sees a far wider potential for the system, including its use for trucks, lorries, construction vehicles, agricultural machinery and tracked and all-wheel drive vehicles for civil and military use. A CVT lacks the stepped gears of conventional manual or automatic transmissions.

After three years of intensive research work, and with financial backing from the Department of Industry, Leyland believes it has a lead of up to three years in commercial vehicle CVT development.

The second phase of the project - the addition of regenerative breaking - is expected to be completed

in the last quarter of 1983 this measure was more than 2 per cent

Sharp increase in consumer spending

By JEREMY STONE

A SNAPSHOT of the UK economy in 1982 is provided by Government statistics just released, giving revised versions of output, incomes, profits and investments.

Real income for 1982 was about 1 per cent above its 1981 level, as measured by gross national disposable income at constant prices. The average measure of gross domestic product showed a continued gradual improvement in economic activity from the low point reached in mid-1981.

In the last quarter of 1982 this measure was more than 2 per cent

higher than in the third quarter of 1981.

Personal disposable income rose 7 per cent in 1982, but since consumer prices went up 8 per cent real personal disposable incomes fell about 1 per cent.

Consumer spending rose sharply in volume terms in the second half of 1982, running in the final quarter about 3 per cent above the average for the previous three years. This led to a fall in the ratio of savings to personal income to about 10% per cent, nearly four percentage points lower than in 1980.

Earnings now rising faster than prices

By ALAN FRIEDMAN, BANKING CORRESPONDENT

THE BRITISH economy is in a consumer-led recovery, with earnings rising faster than prices, a low savings ratio and minor personal tax cuts in the Budget, according to Mr Christopher Johnson, group economic adviser at Lloyds Bank.

Mr Johnson, writing in the April issue of Lloyds Bank Economic Bulletin, says that consumers are gaining from a windfall drop in the inflation rate at a time when their incomes are declining at a lesser rate.

Fixed investment is also contributing to the recovery, he adds. "There is a strong revival in private housebuilding, thanks to lower interest rates, and the public sector is being pushed, sometimes reluctantly, into spending more money on capital projects when it has got into the habit of saving it," writes Mr Johnson.

On inflation, Mr Johnson says the rate will rise this year because of the fall in sterling and because of the lack of an effective incomes policy.

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
April 6-8	Fashion Fabrex (01-831 7885)	Olympia
April 9-11	London Black Fashion and Beauty Fair (01-272 5183)	West Centre Hotel, W6
April 12-14	Coal Preparation Technology Associated with Cost Efficiency - Symposium and Exhibition (061-832 6541)	National Agricultural Centre, Kenilworth
April 18-22	International Fire, Security and Safety Exhibition and Conference (01-387 5050)	Olympia
April 19-20	All Electronics Show - ECIF (Essex (0799) 22612)	Barbican
April 19-21	2nd Exhibition of Numerical Engineering Equipment and Services (01-879 9411)	Wembley Conference Centre
April 19-21	Fibre Optic Exhibition and Conference (Essex (0799) 22612)	The Brewery, EC1
April 24-27	Incentive Marketing and Sales Promotion Exhibition (01-688 7788)	Brighton
April 24-27	Incentive Marketing and Sales Promotion Exhibition (01-688 7788)	Brighton
April 25-29	Packaging and Brewing Exhibitions - PAKEK and BREWEX (Solihull (021) 705 6707)	NEC Birmingham
April 26-28	Site Equipment Demonstration - SED 83 (01-904 9504)	Hatfield
April 26-29	International Land Reclamation Conference and Exhibition (Tunbridge Wells (0892) 44027)	Civic Hall, Essex
May 10-12	Riba Computer Conference and Exhibition (01-637 8891)	Bloomsbury-Crest Hotel

OVERSEAS TRADE FAIRS AND EXHIBITIONS

April 11-13	Air Cargo '83 (0727 63213)	Amsterdam
April 12-16	WIRE-TOKYO '83 - International Wire Exhibition (0727 63213)	Tokyo
April 18-25	67th Swiss Industries Fair (061 26 20 20)	Basle
April 18-22	World Dredging Congress and Trade Exhibition (Bedford (023) 750422)	Singapore
April 19-23	World Trade Exhibition and Congress (Dorset (0202) 720645)	Hamburg
April 24-26	Construction Industries '84 (01-458 1951)	Jakarta
April 25-29	International Technology Fair - TECHEX '83 (01-584 5749)	Lyon
May 6-10	2nd Exhibition of Systems, Components and Materials for Industrialised Building Sector - SICOMAT '83 (01-492 1951)	Milan
May 7-10	Manila Apparel Market Week (01-245 0742)	Philippines
May 17-20	Technology/Inspec Exposition (Pittsburgh (412) 645 7589)	Pittsburgh

BUSINESS AND MANAGEMENT CONFERENCES

April 5-6	Economist: Europe and Japan - prospects for interdependence (01-838 7000)	Tokyo
April 7	British Franchise Assoc: Expansion through franchising (Colnbrook (084 4903)	Cafe Royal, WI
April 12	CBI/IMIS: Company initiatives on unemployment (01-878 7400)	Centre Point, WC1
April 13-14	Energy Industries Council: Energy to the year 2000 (01-221 2043)	Brighton
April 13-15	Management Centre Europe: '83 International Tax Conference (219 03 30)	Brussels
April 14-16	FT Conference: FT City Course (01-621 1385)	Chartered Insurance Inst, EC2
April 15	ESC: Onshore oil exploration and production (Leeds (051 282) 2711)	Selbridge Hotel, WI
April 20	Henley Centre: Budget: effects on business (01-343 3631)	Inn on the Park, WI
April 20-21	Numerical Engineering Society: Computer-aided engineering (01-878 9411)	Wembley Conference Centre
April 21-22	FT Conference: Venture capital (01-621 1385)	Caledonian Hotel, Edinburgh
April 21-22	Monadnock: Project financing (01-262 2232)	Press Centre, EC4
April 21-22	Riba: Effective professional marketing of architects' services (01-637 8891)	Britannia Hotel, Grosvenor Sq
April 26	Macfarlane: The unlisted securities market - year three (01-637 7458)	Press Centre, EC4
April 27	Oyez IBC: ITV - the gathering storm. Where does television go from here? (01-238 4080)	British Academy of Television Arts, WI
April 27	Staniland Hall Associates: The UK economy 1983-4 (01-339 6054)	Centre Point, WC1
May 5-6	Monadnock: Successful joint ventures in Egypt (01-262 2732)	Press Centre, EC4
May 9-11	IRS: 10th Zurich International corporate finance conference (01-637 4358)	Zurich
May 10-12	RRG: International insurance conference (01-236 2173)	Jersey
May 17-20	Lloyd's: Ocean carriers' rights and liabilities (01-247 9481)	Royal Horseguards Hotel, Hamburg
May 17-20	EVAF: Business research for corporate development (01-637 1221)	

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

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UK NEWS

NNC SEEKS NEW MARKET TO BEAT FUTURE CRISIS

Magnox export bid

BY A. CORRESPONDENT

THE National Nuclear Corporation (NNC) is making efforts to export a smaller version of the Magnox power station.

The NNC faces a critical shortage of business in a few years' time and is pinning most of its hopes on a go-ahead for the Sizewell B pressurised water reactor (PWR) and the eventual development of a commercial fast breeder reactor in Britain.

The Magnox unit has a proven track record and NNC believes it has better immediate potential for export than the advanced gas-cooled reactor, the domestic performance of which will not become clear until at least 1990.

NNC's only export of nuclear plant involved two Magnox stations of 200mw and 154mw sold to Italy and Japan more than 20 years ago.

A British PWR would be a strong contender in the export market, but until at least one plant is built and expertise is proven the potential is small.

Meanwhile, NNC is trying to export a 300mw Magnox unit to countries where the economy cannot justify a bigger plant. Turkey is among those interested.

Previous experience has shown

that developing countries have difficulty raising the finance and NNC also faces competition from France and Kraftwerk Union.

A decision on Sizewell B is not expected for at least a year and a half.

Dr Ned Franklin, NNC's managing director, has told the public inquiry that one new nuclear plant order is needed every three years to maintain and improve expertise.

The recession has reduced expectations of orders for nuclear plants. Proof of expertise, at least one British PWR is a basic requirement of any export hopes, but the possibility of a complete plant being sold abroad depends largely on the go-ahead for a domestic programme of PWRS.

NNC knows British companies would not create specialist manufacturing equipment and facilities required for the coolant system, including the pressure vessel, without being assured of a domestic programme.

For Sizewell B the contract for the coolant system will go abroad with British companies involved only as fabricators. Other equipment and facilities will, however, be provided by British firms.

Congressman tries to stop steel deal

BY ALAN FORREST

U.S. CONGRESSMAN Peter Kostmayer met union leaders at a Scottish steelworks yesterday in an attempt to stop a transatlantic deal which he believes will cost too many jobs in both countries.

USC chairman Mr Ian MacGregor's plan is that 81bn worth of steel from the threatened EBC plant at Ravenscraig, Lanarkshire, should be supplied to U.S. Steel for finishing at its Furless works in Pennsylvania. He believes that the long-term nature of the agreement would guarantee the future of steel-making at Ravenscraig until the end of the 1980s.

But Mr Kostmayer, a member of the powerful U.S. House and Foreign Affairs Committee, said after the meeting: "We are hoping we can scuttle the MacGregor deal in the U.S. and keep people working in Furless and in Scotland."

Union leaders on both sides of the Atlantic fear that if the deal

goes through, 2,000 jobs will be lost at Ravenscraig and between 2,000 and 3,000 at Furless. After yesterday's meeting at Ravenscraig, Mr Kostmayer said he was now confident the deal would not go ahead.

Mr Kostmayer said union leaders at Furless had recently signed a contract which would mean \$3,000 to \$3,000 less for their members, and in return U.S. Steel had agreed to avoid importing foreign steel.

He said he was puzzled why anyone would want to close Ravenscraig. "I wish we had a plant in Pennsylvania that was as modern."

He is hoping to meet Mrs Margaret Thatcher, the Prime Minister, and Mr Patrick Jenkin, the Industry Secretary, today before flying back to the U.S. The Government has already discussed the plan with Mr MacGregor and is concerned about getting U.S. assurances on firm commitment to a long-term deal.

Companies say UK should stay in EEC

BY ROBIN REEVES, WELSH CORRESPONDENT

HALF of Wales's North American-owned companies and all but one of its eight Japanese manufacturing plants foresee "adverse effects" on their operations if Britain withdraws from the EEC, according to a survey by the Development Corporation for Wales.

A questionnaire sent to 82 foreign-owned companies in Wales revealed that 49 per cent of Canadian and U.S. subsidiaries and seven of the eight Japanese subsidiaries believe EEC withdrawal will damage their UK operations. Wales has nearly 200 overseas companies employing some 55,000 workers - or more than the numbers employed in the Welsh steel and coal industries.

Some 60 per cent of the companies questioned said they were first attracted towards making their investment because of the opportunities or benefits stemming from the country's EEC membership, such as

New sales of Boeing 757

By Michael Donne

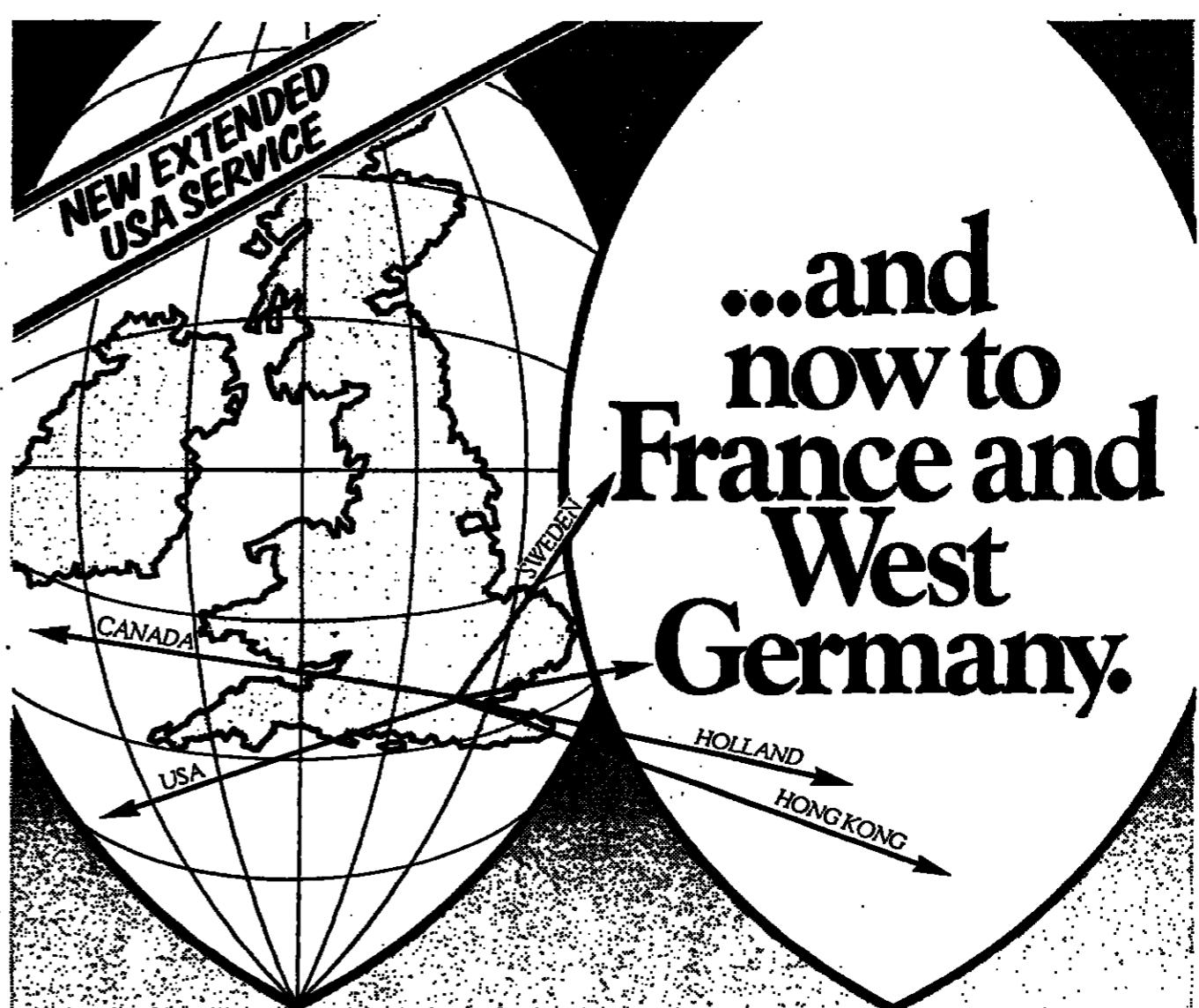
AIR EUROPE, the British independent airline, today becomes the third UK operator to take delivery of the new Boeing 757 twin-engined jet airliner.

British Airways took delivery of the first of 17 of the new jets in February, while Monarch Airlines, an independent airline, took delivery of the first of three in March.

Air Europe will be operating two Boeing 757s this summer, one of them leased from British Airways. Its own second jet is due for delivery in March, next year. Air Europe is spending more than £40m on its two 757s.

The new aircraft are powered by Rolls-Royce RB-211-53C engines. Air Europe, which is part of the Intersat Leisure Group, has been profitable since Intersat set it up in 1978. So far, cumulative pre-tax profits earned by the airline amount to nearly £10m.

Agreements have been made between NNC and Westinghouse, the Bechtel Corporation, the Standardised Nuclear Unit Power Plant System utilities and Nuclear Projects Inc in the U.S.



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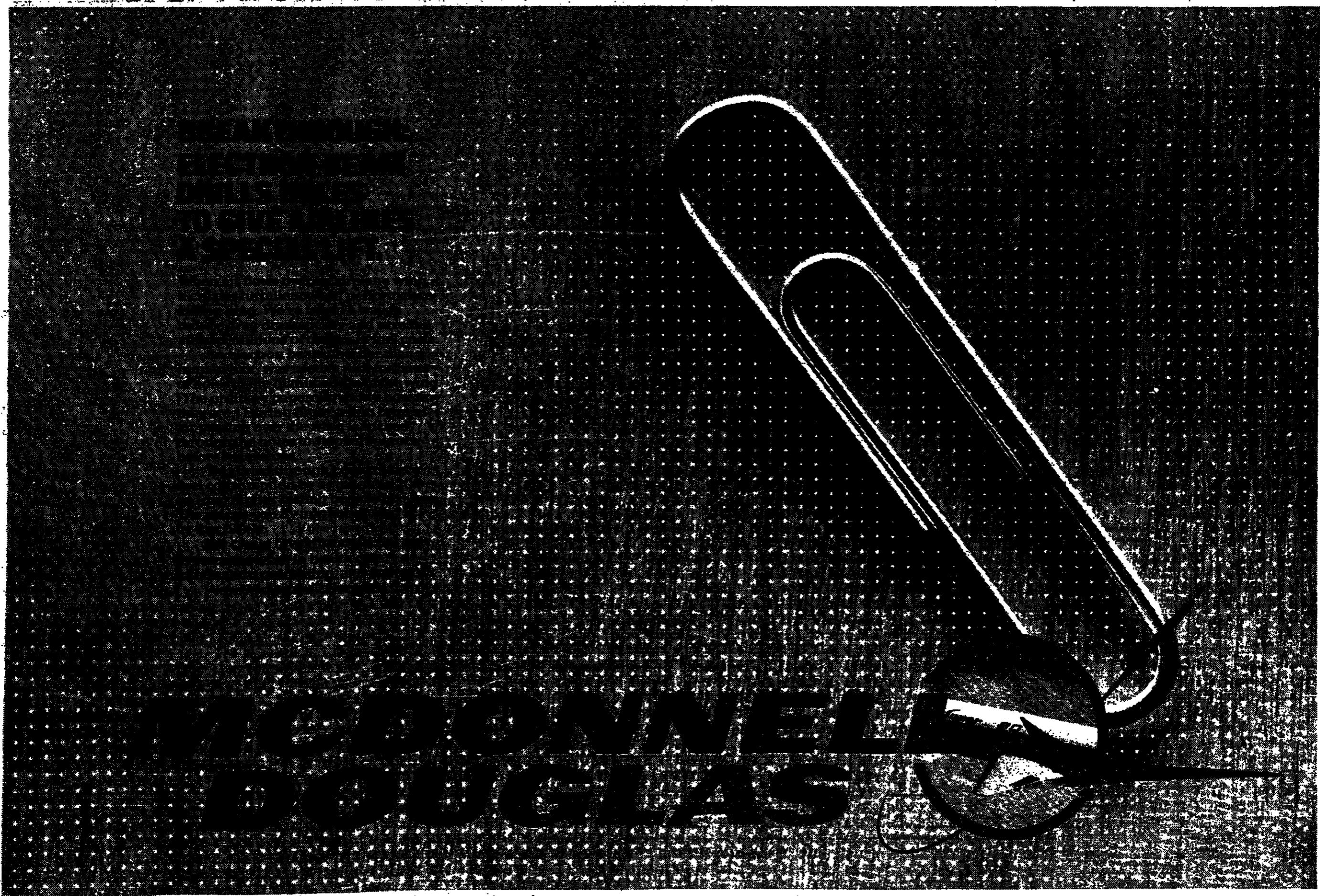
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INSURANCE

Cat and mouse with the Revenue

BY ERIC SHORT

IT IS three months since the Life Officers' Association and the Associated Scottish Life Offices ended the official agreement which imposed a maximum scale of commissions that member life companies could pay for life and pensions business.

But, contrary to some predictions, there has been no massive commissions war between the traditional life companies and the newer, non-member life companies.

Instead, the controversy between the two groups concerns marketing of tax avoidance schemes and is one that has continued for the past two decades. The publication of the Finance Bill last week brought this controversy into the open again.

Agreement

The UK life assurance industry enjoys certain tax concessions, both through a favourable tax credit payment from the Inland Revenue on regular premium life assurance and in favourable tax treatment of the benefits. These concessions are set out in tax legislation.

The two life associations have a gentlemen's agreement with the Revenue not to misuse these tax concessions. This agree-

ment is more in the nature of an understanding which goes back quite a few decades.

Nothing is defined or written down. Spokesmen for the associations refer to the spirit of the tax concessions and their responsible use. This is taken to mean that the concessions will be used to encourage long-term savings, not for tax avoidance.

The non-member life companies, most of which were formed during the past two decades, have no such inhibitions about marketing tax avoidance schemes which make maximum use of tax concessions of life assurance. These companies do not acknowledge the existence of the unwritten agreement and operate solely within the letter of existing legislation. Thus, over the past decade or so, there has been a constant battle of wits between these non-member life companies and the Revenue.

The early 1970s were fruitful for tax planning schemes by these life companies, but the furore was soured by a massive clampdown by the Government in 1974. Over the past few years, a resurgence of tax avoidance schemes from these non-member companies followed. Three main ones appeared on the market—guaranteed income bonds, second-

hand bonds, and capital and income bonds.

The essential feature of all these schemes was that the planners took various individual life contracts and combined them in a complex package. Each policy on its own was not viable, but together they formed a highly tax-efficient package. What is more, all the schemes were within existing tax frameworks.

Legislation

The Revenue's reaction to tax avoidance schemes from these non-member life companies has been not to attack them under the existing legislation, which could have meant action through the courts, but to seek primary legislation to stop a particular scheme.

But such procedures are time-consuming. The Revenue first needs to establish that the marketing of any scheme is widespread, and the life companies concerned now adopt a low profile in such marketing. Then the Revenue has to draft the necessary Bill and seek Parliamentary time. While that is going on, the life companies enjoy a sales boom for the particular scheme.

This cat-and-mouse game has

infuriated the traditional life companies. By sticking to the unwritten agreement, they have had to watch while the non-member companies exploited a highly profitable tax-avoidance market until eventually stopped by legislation. Also, the traditional life companies are frightened that the Government will lose patience over tax avoidance and clamp down on the design and marketing of life assurance contracts and/or end the tax concessions.

The inconsistency of the Revenue is highlighted by the present situation. The Finance Bill sets out legislation to end second-hand bonds, but says nothing about capital and income bonds. So the non-member life companies are concentrating their marketing on capital and income bonds.

This situation is clearly unsatisfactory. The Revenue needs to make a complete review of the legislation rather than confine itself to closing one tax loophole at a time. One straightforward solution would be to legislate against artificial contracts and make each life policy used in a package stand on its own, actuarially, with the appointed actuary of the life company to certify each new contract to this effect.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interim or final. The sub-divisions shown below are based mainly on last year's timetable.

Ladbrokes (William) Supermarkets

McDonald's (Lester) Restaurants

Stewart Wrightson Interiors

Swissair Hotels

Telewest Posts

Telewest Planning Services

Telewest Radios

Telewest Telecommunications

THE ARTS

Easter concerts/Barbican Hall

Dominic Gill

Elsewhere the City of London was as quiet as the grave, but the Barbican Centre itself was a festive hive of music over the Easter holidays. The theme (echoing similar past events in America and Australia) was "Mostly Mozart" concerts afternoon and evening, supported by a lively day-long sequence of foyer events—ensembles, pianola rolls, a vocal quartet, and even Mozart's musical dice-game arranged for computer. At daylight level a Café Mozart served whipped cream with everything. If numbers are a measure of success, the Barbican will be justly encouraged: nearly 1,500 people arrived to hear Alan Civil lead his ensemble of 200 horns on Saturday, and the hall for Christopher Hogwood's concert with the Academy of Ancient Music the following afternoon was gratifyingly well filled.

In the name of authenticity, Hogwood inserted a couple of concert arias between the minuet and finale of Mozart's Haffner symphony and also gave us permission to applaud after every movement, if these were still included. That was fair and amusing enough, but the real point of the performances was no more than their correct instrumental scale. To play the Haffner symphony with pairs of wind instruments only and no more than 18 strings is not to be fair, the only way of performing it well; but to hear it so played can be to understand, as never before so clearly, why so many full-orchestral performances are so hopelessly wrong. Conductors need the experience as badly as audiences: how

spent.

Tennstedt/Festival Hall

Dominic Gill

The London Philharmonic Orchestra's performance of Mahler's sixth symphony under Klaus Tennstedt last Thursday night was a brilliant tour de force, and in some ways one of the most exciting accounts of that work to be heard on the South Bank for many seasons. In one important respect, however, I thought it misconceived.

Given that the best and most (harmonically as well as dramatically) consistent ordering of the movements of Mahler's Sixth places the scherzo second, a great part of the force and the sense of the symphony hinges on the relationship, especially the tempo relationship, between the two massive opening movements. The first, an allegro energico qualified by an all-important *ma non troppo*, demands shaping of the greatest flexibility, but must never escape from its relentless undramatic tread—more manic-maestoso than Mozartian allegro. Nor must it ever seem ponderous; but in their desire to achieve what they perceive as the right degree of music Mahlerian glitter, and to avoid at all costs seeming to drag the tempo, some conductors even take the first movement so fast that its basic pulse approaches that of the scherzo.

As soon as the scherzo begins, this is perceived as a serious dramatic error: the opening of the second movement becomes no more than a repetitive extension of the first, uneasy and hyperbolic pendant, instead of the razor-edge ironical contrast, fierce up-tempo seizure, that we may be sure (which is to say musically, instinctively, sure) Mahler intended. Although I have never heard an argument in its favour, this blunting of contrast is not an uncommon approach, and is chosen by some, though not all, of the

Wellington papers for Southampton University

Mr Paul Channon, Minister for the Arts, has allocated the papers of the First Duke of Wellington to Southampton University.

The Time of Your Life/The Other Place, Stratford

Antony Thorncroft



Alastair Muir

Daniel Massey, John Thaw and Zoë Wanamaker

many performances do we hear, week after week, which have failed to grasp, or fail to communicate, the fundamental fact that Mozart's symphonies are chamber music gloriously amplified? The Academy's playing was patchy; if Hogwood could somehow ensure more consistency of personnel from concert to concert, ensemble would certainly improve. A handful of fluff is a small price to pay none the less for the joy of hearing Mozart—and likewise Beethoven's first symphony—pure and clean, with its woolly wrapping removed. Emma Kirkby, who gave "Voi aveva un cor fedele" between movements, had a misfortune on her penultimate high note, but sang otherwise simply and affectingly in tones refreshingly free from the painful excesses of modern-day operatic vibrato.

The Barbican's St Matthew Passion given on Good Friday by the English Chamber Orchestra and Pro Musica Crucis under Raymond Leppard was a sad disappointment. Ironically in the context of such an otherwise "authentic" weekend, Leppard's version was an uneasy compromise between a symphonic massed-choir production and a performance by the forces which Bach himself meticulously prescribes. The unnecessary and unstylish practice of adding a harpsichord continuo for the Evangelist was followed. But quibbles about style and performance practice are finally irrelevant. More important here, the solo singing was undistinguished, the choral singing was half-hearted, and Leppard's direction was mesmerisingly limp, all passion spent.

Nick (John Thaw) presides over the most romantic bar not only in "Frisco but also in fiction. In the course of a day, soft-hearted whores, drunken philosophers, yarn-spinning old-timers, and young hopefuls jostle each other for a share of the spotlight and the fine writing. Aphorisms drop like the nickels in the jukebox and there is even a violent climax which clears the stage of the only villain on show—a twisted cop.

"Live and let live" is the moral of the piece, although it is never explained how Joe (Daniel Massey) finds the dollars which pay for the happy endings. Sitting and slowly drinking himself into oblivion, and with some good lines and, of course, Kit Carson (John

Carter), the old cowboy who commands attention with opening lines like "Ever loved a midget weighing 39 lbs at the end caps his tall stories with a

fantasy element in the characters and the dights of poetry from Saroyan make this an attractive period piece if you can swallow the triteness. The illusion is supported by authentic props—the pinball machine and the juke box, the old beer bottles and the old-style dimestores. You want to believe it all at least for a couple of hours and, of course, Kit Carson (John

Massey, but this is RSC more than ever central to the power plotting of the play. It is, surely, Shakespeare's greatest tragedy and one which seems to grow blacker as the onlooker grows older.

Strengthening the dark and primitive spirit of his version, Elliott made life rude and barbarous, the people only a step up from *Ancient Britons*, the mighty rubbing shoulders with the humble Lear accompanied by vast wolfhounds riding his horse into the hall, and a rough Brueghel-like intensity characterising communal life. Interiors were smoky, dim and uncomfortable, in sharp contrast to the outdoor daylight.

Television/King Lear

Chris Dunkey

When Laurence Olivier raised his eyes to the discountenances in Sunday's TV production of *King Lear* and implored quietly:

"Oh let me not be mad, not mad, sweet heaven..." *King Lear* to be mad" it produced a shiver of foreboding.

Here was Shakespeare's timeless understanding made flesh: the king from centuries before the playwright's time and the old actor from centuries after were momentarily one in their terror of age descending into senility. Lear and Olivier could not be separated. Such moments were, however, rarer than might have been hoped.

Under Michael Elliott's direction this production reeked of the dark ages, no modern theory here about there being good and bad in everyone, or the culpable vacillation of the elderly. Goneril and Regan, as portrayed by Dorothy Tutin and Diana Rigg, were simply evil, and Edmund's awareness of the stigma attached to his illegitimacy (conveyed with unusual intensity by Robert Lindsay) was more than ever central to the power plotting of the play.

It is, surely, Shakespeare's greatest tragedy and one which seems to grow blacker as the onlooker grows older.

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Shirley Verrett/Barbican Centre

David Murray

Rewarding though it was, Miss Verrett's *Liederabend* with Geoffrey Parsons on Sunday proved to be a severely serious affair, despite the cheerful Schubert and Strauss in her programme (the rest was Brahms). She has a formidable presence and committed intensity; her basic mezzo timbre is potentially dark, with less lustre in the soprano extension. She lightened her tone carefully for Strauss' "Fünfzehn-Pfennigs" and Brahms' "Vergleichs-Ständchen," but the result was less characteristic and sharp than her other, sober studies.

In Brahms she was splendid. Many singers this year—the 150th since the composer's birth—have respectfully included his songs in their programmes; Miss Verrett was sympathetic, persuasive and searching beyond most of her colleagues. As word-setting, Brahms songs seem unremarkable: a mood is prompted by the general drift of the text, but rendered into formal-musical terms. Prudent singers generally aim for the tautness, therefore, and not at dramatic word-by-word sense. Miss Verrett was scrupulously communicative through the words, and it was pure gain, for the authoritative cut of her phrasing and her unerring rhythmic sense let nothing in the music slip. She made one

prodigal with chest voice. The calm, serious manner and bearing of Richard Van Allan's Father Superior almost does duty for a sonorous Verdian basso cantante.

And yet, over and above its unequal component parts, this *Forza* lives as drama, to which *Don Carlos* entirely failed to do. The reasons are quickly deduced. The ENO has a chorus involved in its work, not some numbnantly detached therefrom. As prima donna the ENO has a great singing actor in Josephine Barstow; after a couple first scene, her Leonora burst into flame, creating for the evening a focal point that held one's intensity even in her absence. And the ENO has imported a conductor, the young American John Mauceri (previously seen in Wales and Scotland, making here his London debut) who is on this occasion a Verdian of quite startling stylistic mastery. The scoring glowed with colour; unlike the young Verdian lions of the day, Mr Mauceri is not afraid to be expansive in his phrasing, to broaden and linger, to let the vocal lines breathe. To the company's achievement he gives a splendid new impetus.

Regional theatre trainee director awards

Three young theatre directors who staged shows at last year's Edinburgh Festival have been awarded 1983 Regional Theatre Trainee director awards. They are Richard Henry Brandon (21) of Bristol, Mark Edward Brickman (22) of London SW19, and Jonathan Myerson (23) of London, SW7. Now in their 23rd year, the awards, administered by the Television Fund, carry two years' secondment as a trainee director at leading provincial theatres. They are worth £4,364 a year—the minimum Equity rate for an assistant stage manager.

Danny La Rue in 'Hello Dolly!'

Danny La Rue is to star in his first stage musical next Christmas when he plays the title role in a West End revival of *Hello, Dolly!* It is thought to be the first time a man has played the female lead in a London musical production.

No theatre has been named yet for the show, estimated to be costing £750,000.

Before the musical Danny La Rue undertakes a five-month tour with his new revue

Editor's Proof

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Arts Guide

Opera and Ballet

NEW YORK

Plácido Domingo: Internationally known flamenco dancer performs to the music of Bach, Corelli, Albeniz, Bochner and the poems of García Lorca. *Gran Teatre del Liceu*, 23rd.

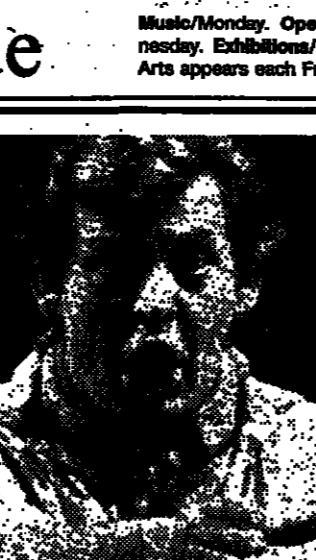
Metropolitan Opera: Season's first performance of *Paradise* conducted by James Levine with Tatiana Troyanos, Timothy Jenkins and Simon Estes, joins performances this week of *Die Walküre*, *Il Barbiere di Siviglia* and *Il Trovatore*. Opera House, Lincoln Center (218.9830).

WASHINGTON

A Brink from Plácido: Gian Carlo Menotti's opera which premiered a year ago to celebrate the Kennedy Center's 10th anniversary, becomes this year's keynote of an "Imagination Festival." The fifteen performances for children and families from April 1 to June 10, Milwaukee and Seattle, with the Menotti opera a giant puppet version of *Peter Rabbit* and a play about boxer Joe Louis. Terrace, Kennedy Center (254.9895).

PARIS

Maurice Bejart's XXth century ballet with Sylvain Cambreling as conductor. Stravinsky's "L' Histoire du Soldat." London Festival Ballet performing *Giselle* with Natalia Makarova, Eva Evdokimova and Peter Schaufuss. *TMF*-Chatelet (261.1983).



Thomas Allen: at the Royal Opera, Covent Garden

Roiglets performed by the Basile Opera Choir and the Basile Symphony Orchestra conducted by Armin Jordan at the Théâtre des Champs Elysées (723.4777).

LONDON

Royal Opera, Covent Garden: Don Carlos, a French Grand Opera in its original language, returns with a cast of newcomers to their roles, including Robert Lloyd and Thomas Allen and Bernard Haitink as "conductor." (240.1006)

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

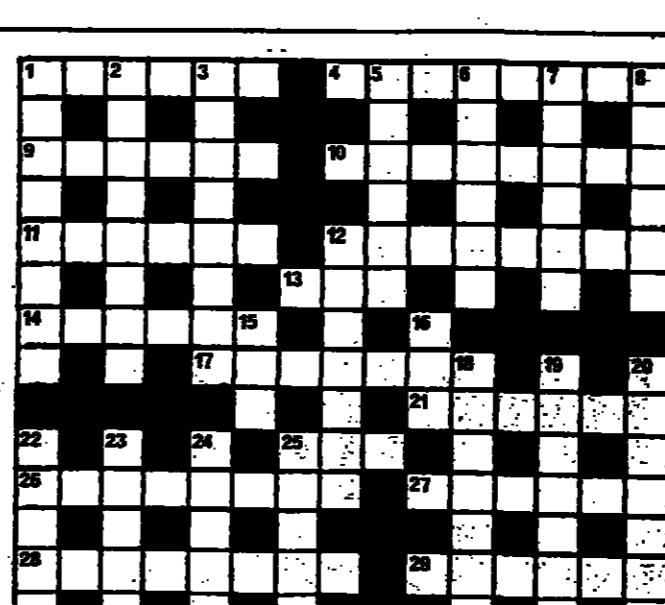
F.T. CROSSWORD PUZZLE No. 5,138

ACROSS

- 1 It tightens a nut in a cleaning machine (6)
- 4 Butcher's order for a composer (8)
- 9 Poor golfer perhaps, gets down the hole (6)
- 10 Air force admiral? (8)
- 11 They represent us—amen! (6)
- 12 Soft spot your boss has for you? (6)
- 13 One needs a very short time to get dry (3)
- 14 Not one on view. (6)
- 15 Young crabs? (7)
- 16 A book I enjoyed wrote on love—popular in Japan (6)
- 20 Social worker? (3)
- 21 A small section of the church (3)
- 27 A disposition of arms (6)
- 28 Payments subject to approval (8)
- 29 Principles said to be found in manuscript form (6)
- 30 He's put in a variety of clues in the time-table (8)
- 31 Ring again to cancel (6)

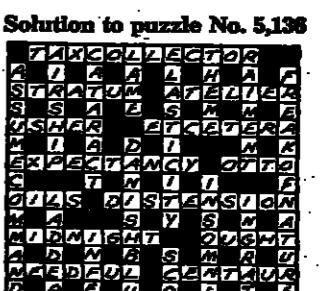
DOWN

- 1 Decoration for the brave perhaps (3-5)
- 2 Citizens taught in schools (8)
- 3 Company that was floated to avoid liquidation (3)
- 4 A compulsory turn-out (8)
- 5 Cloth worker? (6)
- 6 Mint that's still wrapped? (6)
- 7 Big racial issue? (6)
- 8 It limits the movement of stock (6)
- 12 A reptile makes an unusual present (7)
- 13 One point to the Italian, nothing to us (3)
- 16 Company that was floated to avoid liquidation (3)
- 18 An example of ill-humour? (4, 4)
- 19 You have to put up with him (4, 4)
- 20 The loss in fuel is gigantic (8)
- 22 Such a position in society is often symbolically expressed (6)
- 23 District that provides a capital start to the holiday (8)
- 24 Produced a publication and is taken to court (6)
- 25 How's that for charm? (6)



The solution to last Saturday's puzzle will be published with names of winners next Saturday.

Solution to puzzle No. 5,138



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Auto wash/wipe.
Halogen lights.
Reversing lights.
Rear fog lamps.
Front head restraints.
Cloth upholstery.
Front seat belts.
Handbrake warning light.
Digital clock.
Trip recorder.
Panel light rheostat.
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27.9mpg (urban cycle).
44.8mpg (at a constant 56mph).
A Ford.

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Laminated screen.
Front spoiler.
Lockable fuel cap.
Interior adjustable door mirror.
Heated rear window.
Intermittent wiper.
Auto wash/wipe.
Halogen lights.
Reversing lights.
Rear fog lamp.
Front head restraints.
Cloth upholstery.
Front seat belts.
Handbrake warning light.
Digital clock.
Trip recorder.
Panel light rheostat.
3-speed fan.
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Interior adjustable passenger door mirror.
Parking lights.
Boot.
Rear seat belts.
Fuel consumption indicator.
Gearshift indicator.
4+E Gearbox.
Rev counter.
6 year anti-corrosion warranty.
3 year paint warranty.
A Volkswagen.

Her Majesty's Inspectors of Taxes think they are exactly the same.

Happy New Tax Year 1983-4. Unhappily though, the taxable benefit rating on company cars is increased. Anything over 1800cc is now rated at an expensive £650. While anything between 1301cc and 1800cc is less taxing at £425. In theory then, the Ford Sierra 1.6GL and the Volkswagen Santana 1.8LX are in the same class. So much for theory.



Tuesday April 5 1983

Question mark over BNOC

A RECOMMENDED pricing package for North Sea oil is now being mulled over by producers and refiners. The process by which the new price recommendation was reached has focused new attention on the role of the British National Oil Corporation.

BNOC's statutory duty is to purchase at least 51 per cent of all crude oil produced in UK waters. This it sells either back to the producers or to third parties. BNOC, therefore, has no option but to lead UK oil price negotiations.

This means finding a formula which is accepted by both producers and consumers of North Sea crude, which maintains as far as possible the Government's oil tax revenues; which recognises the general weakening of world oil prices; and which does not trigger retaliatory price cutting action by Nigeria and the rest of Opec.

In the event, BNOC has come up with an ingenious two-tier compromise. But the Government must be asking itself whether, through its state trading organisation, it should be put in such a pivotal pricing position. In recent weeks, ministers have been clearly embarrassed by the attention focused on the Corporation.

The flotation last year of Britoil, the Corporation's profitable exploration and production partner, has left the remaining trading body financially exposed and vulnerable. It has to resell UK oil at the same prices, as it buys it, so there is little scope for BNOC to make a surplus. But the Corporation can easily make a substantial loss if customers like Gulf Oil turn their back on contract supplies and it is forced to sell the state's oil on a depressed spot market.

There is no reason why Government should not accept such losses, provided that BNOC is acting in the interest of the economy as a whole. But is it? Indeed, is the Corporation needed at all?

Free market

Mr Nigel Lawson, Energy Secretary, rightly extols the virtue of free market pricing in energy. It is the system which is supposed to exist in the North Sea even if Opec ministers, witnessing BNOC's involvement, remain unconvinced. BNOC is widely perceived as a price-setter. As a result, the Corporation is subjected to many conducting outside pressures.

Left to themselves producers

and customers would be quite capable of agreeing North Sea prices in the light of market conditions, just as they do in the U.S. One reason why the U.S.—the biggest oil producer in the non-communist world—is so rarely drawn into international pricing battles is the absence of government involvement. Another is that the U.S. does not compete with Opec on the export market.

Tax problems

Removing BNOC from the UK pricing scene would undoubtedly cause problems. The Inland Revenue would need to find a new method to assess North Sea oil for taxation purposes.

The Government would also have to satisfy itself that oil companies were not abusing their new-found freedom by transferring crude between their producing and refining affiliates at prices designed to escape UK taxation.

Smaller, independent producers, which now sell much of their output to BNOC at the official North Sea prices, might also find themselves involved in much tougher negotiations with the refinery affiliates of big multi-national corporations.

But none of these difficulties need be insurmountable. The biggest problem would come in tackling the *raison d'être* of BNOC—the issue of the security of oil supplies for the UK.

BNOC has been kept alive because the Government wants to ensure it retains control over at least 51 per cent of the country's oil output. By channelling over half of the UK's production via BNOC, the Government knows that in the event of a future energy crisis the country would not grind to a halt through lack of oil.

Left to their own devices in the event of renewed shortage, international oil companies would probably follow one of two courses. They might either apply a system of equal misery in countries where they supplied oil, or they might be tempted to sell their inadequate oil supplies to the highest bidder.

Even in these times of glutted energy supplies, it would be wrong for the Government to ignore the importance of oil security. But it should be possible to find other methods of securing safety—perhaps through Government reserve powers—without BNOC and its attendant publicity. The role of BNOC, and the method by which the UK oil prices are set in future, should be high on the Government's agenda.

Lome: the need to persevere

STUDIES of the impact and effectiveness of aid and other support granted by the industries to the developing countries rarely fail to be depressing. Stories abound of money spent to little effect or otherwise wasted and are matched by failures to meet aid targets and of good intentions going awry.

A newly published report of the relationship between the EEC and the 63 African, Caribbean and Pacific (ACP) countries joined to it by the Lome convention is no exception to this discouraging picture. The Lome convention, often hailed as a model of how to handle relations between industrialised nations and the Least Developed Countries, the authors find, had only a marginal effect on the exports of the ACPs.

The ACPs' during the 1970s even failed to maintain their share of markets for primary products in the EEC and, in particular, failed to open up new markets there for their manufacturers. The duty free access to the EEC Community granted to the ACP signatories of the convention thus failed to achieve hoped for objectives.

Difficulties have dogged Stabex, a fund set up under the Lome Convention which is designed to compensate the ACPs for any decline in certain of their exports to the Community. In the recent recessionary climate in Europe the 550m European Units of Account (about £42m) set aside for this end in 1979-82 has proved inefficient. Compensation claims on the fund have had to be scaled down by half and more.

Project aid

Much of the coming debate will concentrate on Stabex. According to one school of thought the Community would be wise to give priority to project aid rather than to the tied financial transfers made by Stabex. The importance of project aid remains undisputed; but the allocation of those Community funds now reserved for Stabex to this purpose would needlessly arouse competitive conflicts between Community members. It would also confirm ACP suspicions that their freedom of choice is being restricted.

Given the scant successes so far achieved, is there much point to M Pisani's proposal to make Lome III open ended instead of limited to five years as its two predecessors were? Here it needs to be recognised that development is a slow process which must suffer if the future more than five years hence becomes needlessly uncertain.

The authors of the report conclude that trade preferences such as those of Lome will have only marginal effects in the short run. The qualification is important. In spite of the lack of success shown hitherto, the Community should give the imaginative Lome experiment a more prolonged trial.

Preparatory work done by M Edgar Pisani, the European Commissioner dealing with

development aid, contains several suggestions pointing in the right direction. He suggests that the Community itself and its members should raise their aid to developing countries above the present 0.52 per cent of Gross Community Product.

Next M Pisani proposes that EEC aid strategy should give priority to the development of agriculture in the developing countries and to helping them feed themselves. On the side of the recipient countries that could easily be seen as an attempt to hamper the building up of their industries. Experience so far in this difficult field would seem to back the Pisani approach: the Newly Industrialised Countries of South East Asia began their take off after the so-called Green Revolution had steeply increased farm output.

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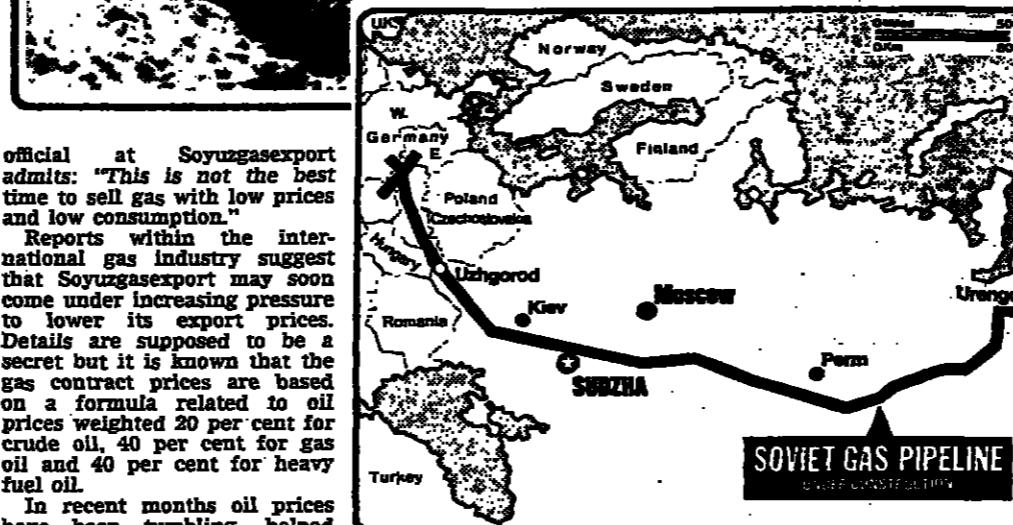
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SIBERIA GAS PIPELINE

'Yesterday, 32 kilometres more'

By Ray Dafter, recently in Sudzha



"Most have been with us for many years," he said, dismissing allegations from the U.S. State Department and others that forced labour is being used in pipeline construction.

"Specialists realise that forced labour cannot make such projects. They need specialised labour," he went on. "But he added a significant rider: "I must say, though, that I don't see anything shameful in using the labour of prisoners. They must work. On other projects in our country they are used—but not here."

In order to speed the completion of the export line the Ministry of Gas and Oil Construction seems likely to opt for its own Soviet-built compressors rather than wait for the delivery of all the import compressor units ordered from Western European manufacturers. Work on these orders were delayed last year as a result of President Reagan's temporary trade embargo on pipeline equipment.

Forty compressor stations are to be built to keep the gas flowing at 70 kilometres an hour; 17 are due to be completed this year with the remainder being installed in 1984. Bearing in mind the short time for completing the line, I think most of the machines will be Soviet ones," said Mr Vasilev.

Not that the imported compressor turbines will be wasted. Any not used on the export line will be installed on one of the parallel pipelines serving Russia's internal market.

This raises the question whether the Soviet Union will continue to import pipeline equipment and technology. About 30 per cent of the piping machinery used on the export line has been imported, with Japanese Komatsu machines very much in evidence. This is quite apart from the estimated \$3.5bn (£2.3bn) worth of imported pipe, turbines and ancillary equipment used on the pipeline itself.

Ministers and officials gave the impression that substantial imports would continue. "If a specialist believes he knows everything better than others, then he is making a big mistake. International experience will always be of interest in our country," said Mr Nikolai Belyi, chief of the foreign relations staff in the Ministry of Gas Industry. "We want to co-operate with countries with a great deal of experience in gas extraction—the U.S., Canada, West Germany and the UK."

"Some 25m roubles (£22.7bn) is being invested during the 1980-85 period on these pipelines which total 20,000 kilometres in length. Another six are likely to be built under the following five-year economic plan with, perhaps, one of these also being directed towards the Western European export market."

"This explains why we are moving so quickly on the export line," said Mr Vasilev. "It is not a question of prestige; we have to start another two pipelines."

Mr Vasilev maintains that the pipelaying workforces move from one line to the next.

All of these securities have been sold. This announcement does not constitute an offer or invitation to subscribe for or to purchase any securities.

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March 1983

Going without

Americans would prefer to dispense with their homes rather than their cars in hard times, according to a poll conducted by Rambam and Co of Wisconsin.

The guides will have to pass examinations in their knowledge of the Fab Four and their lives in Liverpool before they join the 20 already conducting three-hour tours at £12 a time.

Started last year as an experiment, the tours have become a major international hit, attracting

Well over a decade after the Beatles' last performance, their fans are still turning up in Liverpool in such numbers that Merseyside County Council has had to recruit 12 extra guides for its bus and walking tours of the group's landmarks.

The guides will have to pass examinations in their knowledge of the Fab Four and their lives in Liverpool before they join the 20 already conducting three-hour tours at £12 a time.

Started last year as an experiment, the tours have become a major international hit, attracting

Definition

Bigamist — fog over Italy.

Observer

AGRICULTURAL TRADE RELATIONS

By Richard Mooney

A RISE in world grain prices late last month may have pulled the U.S. back from the brink of a bitter agricultural trade war with the EEC which could have been extremely damaging for both parties.

But while the price rises have eased the immediate threat to the incomes of American farmers they do not appear to have reduced their fierce opposition to the EEC's policy of paying out heavy subsidies to make high-priced European farm produce competitive on world markets.

Eased on by the powerful farmers' lobby, U.S. politicians are maintaining a stream of free trade rhetoric against the EEC and demanding tougher action by the administration to force the Europeans to adopt a less disruptive approach to farm price support.

These subsidies are seen by American farmers as one of the main causes of a price clamp on the world market which took their earnings last year to the lowest level in real terms since the great depression.

The recession, high interest rates, bumper crop yields and the strength of the dollar also contributed to the income squeeze, but the farmers see the EEC subsidies as a "somewhat apart" factor which can be controlled.

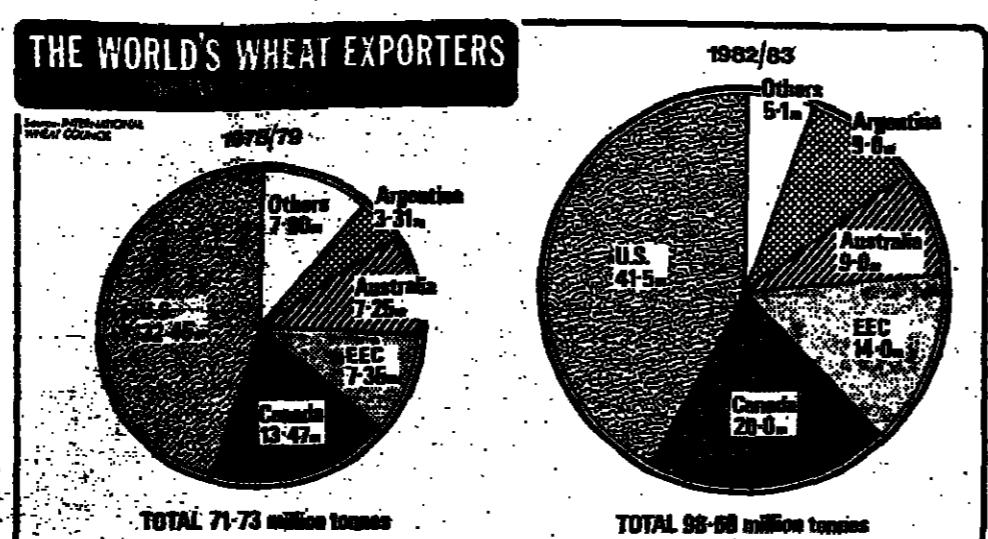
The U.S. Government has responded with strong words but relatively little action. Recognising that as the world's biggest food importer the U.S. would be the main sufferer in a price war, it has contented itself with a 1m tonnes subsidised sale of wheat flour to Egypt and an expansion in its programme offering cut-rate loans to importers of U.S. food.

Further measures are known to be under consideration, including a subsidised dairy products sale to Egypt and a pottery sale in the Middle East. But at the most these are only a modest escalation of the war.

The basic market problem is one of oversupply, though farmers prefer to see it as one of under-consumption. And they have a point. There is no doubt that the world's hungry would be happy to remove the excess from the market if only they had the money to do so.

While world recession has halted the slow growth in Third World consumption of food, farmers in the developed

THE WORLD'S WHEAT EXPORTERS



TOTAL 71.73 million tonnes TOTAL 98.58 million tonnes

Bob Hutchinson

countries have to a large extent been insulated from the effect of this on prices and have continued to maximise production. Nowhere has this been more so than in the EEC.

The EEC guarantees its growers' prices which are 30 per cent above the U.S. level for wheat and 80 per cent higher for feed grains. The resulting surpluses are disposed of on the export markets with the aid of subsidies to bridge the large gap between EEC and world price levels. The size of the gap is judged by comparing the current price of around £137 a tonne of UK-produced wheat on the London futures market with the 500 a tonne received for higher quality U.S. wheat to Egypt and on the Chicago market.

This system has been in operation for some time, but its impact on the world market has grown with the sharp rise in EEC production in recent years. EEC export sales of wheat in 1982/83 are estimated at around 14m tonnes, nearly double the 1978/79 level.

World market shares have inevitably been affected—the EEC's is up from 10.2 per cent in 1978/79 to 14.2 per cent while the U.S. has fallen from 45.2 per cent to 42.1 per cent—but the Americans' main concern is the effect on prices, which last autumn fell to the lowest levels since early in 1978.

American critics attack the EEC price support regimes on two main fronts. Excessive prices, they say, encourage farmers to maximise production

irrespective of the state of the market while at the same time discouraging consumption within the Community.

Disquiet is not confined to the western side of the Atlantic. It is, after all, European consumers who have to pay the inflated prices and provide the tax revenue to subsidise the exports. EEC consumer groups have been campaigning almost since the formation of the Community for greater realism in the setting of guarantee prices and for surplus production to be used for the benefit of those who have paid for it.

The implications for world trade have also been causing concern in the Community. In 1980 the House of Lords select committee on the European Communities said: "Disposal of existing surpluses should not be governed by budgetary constraints but take into account the interest of other exporters and the Community's Gatt obligations not to use export subsidies to take an inequitable share of world markets."

The EEC's defence on this question was recently spelled out by Mr Klaus Bistrup, Denmark's representative to the EEC Committee of Agricultural Organisations (COPA). He said that statistical evidence did not show a bigger increase in Community market exports of farm products than of U.S. products.

For example, between 1974 and 1981 the Community had expanded its share of the world flour market to 62 per cent from 53 per cent while the U.S. share

had gone up from 18 to 25 per cent, he said.

Another oft-quoted defence is that American farmers are more heavily subsidised. It is, after all, European consumers who have to pay the inflated prices and provide the tax revenue to subsidise the exports. EEC consumer groups have been campaigning almost since the formation of the Community for greater realism in the setting of guarantee prices and for surplus production to be used for the benefit of those who have paid for it.

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International Monetary Reform

The case for fixed exchange rates

By Otto Hieronymi

TODAY, FOR the first time in 10 years, there is a serious opportunity to start to rebuild a stable international monetary system, incorporating a fixed exchange-rate standard.

Firstly, the world has come close to the end of a full inflationary/deflationary cycle. There is growing recognition that international monetary instability is not simply an expression of domestic conditions, but an autonomous source of uncertainty, and thus of reduced investment, of unemployment, stagnation and slower economic growth. Additionally, it has become clear that the UK and the U.S. appear at the top of the list of the victims of the flexible-exchange-rate system.

Under this, farmers agreed to take land out of production in return for cash payments and commodities from government stocks almost equal to the yields they could have expected from the land. The rate of acceptance was much higher than had been predicted—\$2.3m hectares, or 36 per cent of all land covered by the programme. In the week after the acceptance rate was announced the Chicago maize price rose 22 cents to \$13.6 cents a bushel and the wheat price 13 cents to 359 cents.

So far the search for a U.S.-EEC agreement has been left to agriculture and trade ministers and officials, but there is a growing feeling that talks at a higher level will be needed. Mr Michel Fribourg, president of Continental Grain Company, said recently he believed a settlement would only be possible when the heads of government on both sides, with the help of Foreign Ministers, recognised the need for a political solution.

This combines commercial export credit guarantees and direct interest-free credit into a single loan package to produce an interest rate below prevailing commercial levels. After spending \$500m on the scheme, Congress authorised a further tranche of \$1.25bn on January 11.

This cautious approach has angered many U.S. farm groups.

"We would like to see more markets targeted for action as

the EEC for wheat flour," said Mr Robert Delano, president of the U.S. Farm Bureau.

The flour sale embarrassed

the Community and seriously angered the French, who were by far the biggest sufferers.

The Community cannot afford to be complacent. Its CAP expenditure, already forecast to run \$200m or 12 per cent over budget in the first four months of this year, could soar if the U.S. pushed prices lower. The EEC Commission estimates that a 10 per cent cut in world prices would cost the Community an extra \$700m in export subsidies.

The recent rise in grain prices came as a relief to the Commission, for it will reduce its subsidy costs. It will also help U.S. farmers, but has done little to reduce American indignation with the EEC since the U.S. policy aimed at cutting crop production—the revolutionary payment—in-kind programme.

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take land out of production in return for cash payments and commodities from government stocks almost equal to the yields they could have expected from the land. The rate of acceptance was much higher than had been predicted—\$2.3m hectares, or 36 per cent of all land covered by the programme. In the week after the acceptance rate was announced the Chicago maize price rose 22 cents to \$13.6 cents a bushel and the wheat price 13 cents to 359 cents.

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"crawling peg."

The proposed reform does not require a world government or central bank. It does, however, call for a spirit of co-operation and interdependence. The Bank for International Settlements in Basle appears to be a much more appropriate forum for such co-operation than the present-day IMF.

Floating exchange rates have, in addition, failed to secure the customary autonomy of domestic policies. Correcting domestic disequilibria has become more onerous than under the earlier sharing of the burden of balance-of-payments adjustment.

As a result, and contrary to the views of the IMF and Gatt, floating has not been an effective substitute for protectionism, though its inner source of uncertainty and on the price mechanism and hence on spending, investments, employment and growth, have become over the years the principal source of protectionism.

Since the war, international economic integration has been the single most important factor responsible for economic growth: though increased trade, a more efficient distribution of investment and through the external dimensions of the economy, it has imposed on governments, business and labour.

The record of floating can be summed up briefly. First, exchange rates have proved to be not only occasionally, but intrinsically unstable. Thus, flexible rates have been the single most important factor responsible for the unprecedented volatility of relative prices—both domestic and international—including the extent of the two oil-price explosions.

This has put a premium on short-term, speculative assets, discouraged long-term investment and has generated defensive behaviour by producers and consumers. The huge, erratic changes in net asset/debt positions also exert a

more efficient distribution of investment and through the external dimensions of the economy, it has imposed on governments, business and labour.

Should governments act on this insight, it would not be the first time in recent history that the economics profession (which today is still largely committed to the doctrine of flexibility) would be left behind by the trend of events.

The author is head of the programme of economic analysis and forecasting at the Battelle research centre in Geneva.

Letters to the Editor

Parliament and the Revenue

From G. R. Pinto

Sir.—When Mr. Wiggin welcomed my proposal (March 18) for ensuring that the Revenue does not enforce legislation in manner contrary to the intention stated by Ministers to Parliament, he asked for views on whether the courts should have the right to consult Hansard as to statutory construction.

This need can arise in two ways: the legislation may be clear, but not have the intended effect; or it may be genuinely ambiguous. In the former case, that a statute had a meaning contrary to the way in which it would have been construed judicially; in the latter case, I understand that the courts are already accustomed to interpreting ambiguities in favour of the taxpayer, although this principle may no longer be applied to artificial tax avoidance schemes covered by the *Ramsey* line of cases.

I therefore prefer my proposals under which the Revenue would be stopped, until parliament approved otherwise, from taking any action to im-

pose any more onerous interpretation than that stated by ministers to parliament. However, even this solution could give rise to the courts having to consult Hansard in certain circumstances, which should be comparatively rare: (1) there might be a genuine doubt as to whether a ministerial statement had been sufficiently clear and complete for the estoppel to apply; or (2) the taxpayer might be advancing the defence of estoppel because (a) the Revenue had failed to honour a ministerial statement of intentions or (b) the taxpayer was, without justification, trying in this way to delay payment of tax (which would, however, bear interest if the assessment were confirmed).

The determination of any such question should be left to the courts since, under my proposals, the result would decide whether the interpretation applied from the effective date of the statute (if the Revenue won) or from the date parliament was asked to correct the statute (if the taxpayer won).

7, Lennox Gardens Mews, SW1.

What to do about sterling

From Mr. W. Grey

Sir.—According to Professor Alan Budd ("What to do about sterling," March 29), the answer to the question of whether price stability is best achieved by pursuing an exchange rate or a money supply target broadly depends on "where the shocks which disturb the economy come from." But this raises more fundamental questions. How exactly do you fix a money supply target? How can you be sure it is the right one? And is price stability the only thing that matters anyway? Failing an answer to those questions, talk about "sound" money and about monetary policy being "on course" is surely meaningless.

For example, we are told "in retrospect" 1980 saw "a massive internal shock which led, inter alia, to a large shift in the demand for money," followed by "considerable overshooting" of the money supply target. Clearly, if, despite such changes in velocity being both notoriously hard to predict and not immediately apparent, the right money supply targets had been set in the first place, it cannot also have been right subsequently to overshoot them.

More to the point, the wisdom of a given monetary (and, for

over manpower costs—and not least at county level where the spenders are to some extent insulated from the electoral consequences of their decisions by the district and borough councils who have to incorporate the collection of county revenue in their own rate demands.

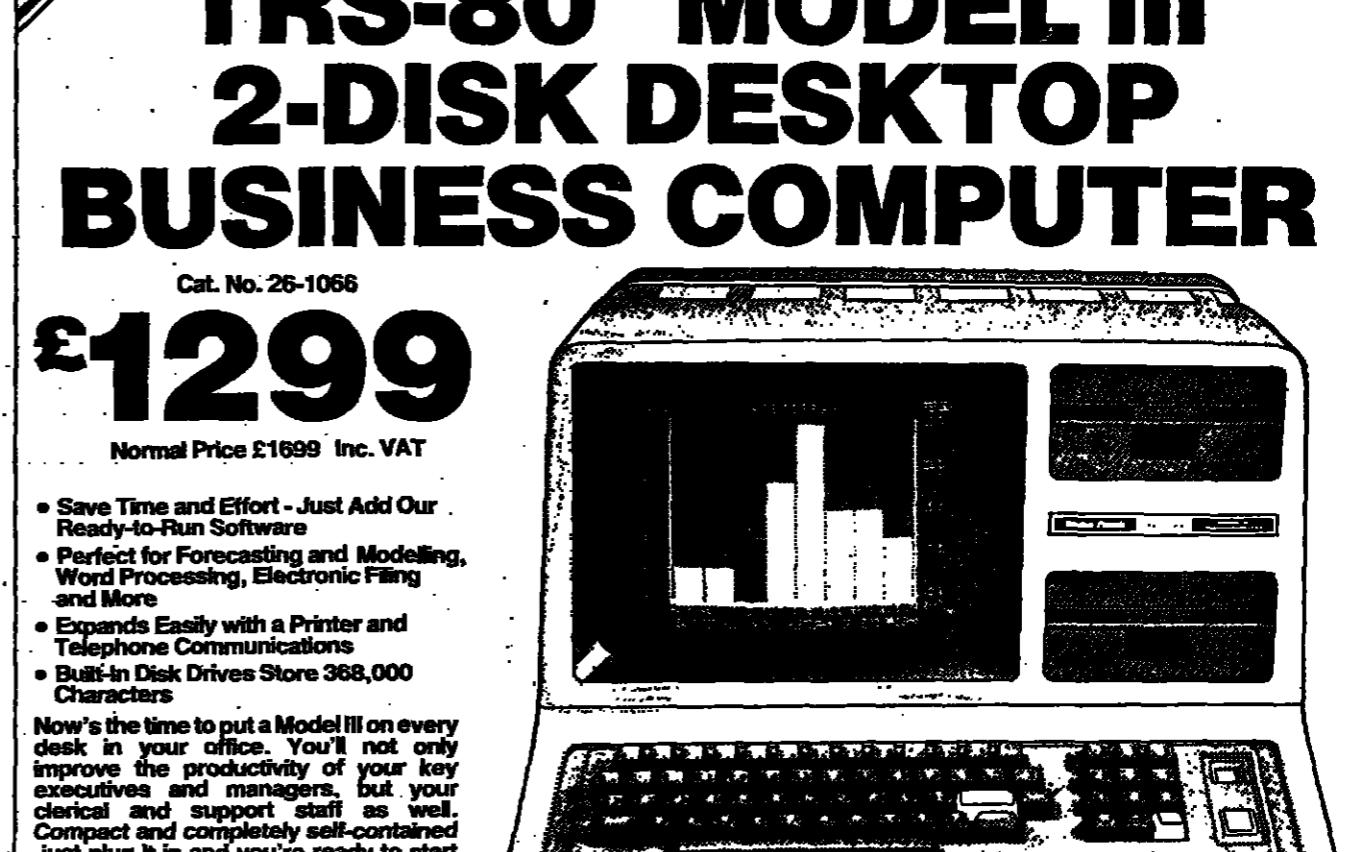
Having achieved some success in the current round of rating decisions, the Government ought not to be deflected from its real task by notions of tinkering with the method of raising levies. It matters very little which of our pockets the money is withdrawn from but we are concerned that the total amount extracted is kept to the minimum and then spent wisely.

Having said that, however, there seems to be some merit in the proposal to fund educational salaries and related costs from central government.

Desmond Goch,
4, Paddox Wood,
Barnet, Herts.

The real problem behind local rates has, until the past year or so, been the lack of firm central government control

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BANKERS CLAIM SUPPLY OF DOLLARS CUT BEFORE MIDDAY ANNOUNCEMENT

Inquiry on Indonesia devaluation

BY RICHARD COPPER IN JAKARTA

INDONESIA'S central bank, Bank Indonesia, has agreed to set up a special committee to investigate the complaints made by several of the country's foreign exchange banks that they made substantial losses because of the manner in which last week's 27.5 per cent devaluation was handled by the country's monetary authorities.

The devaluation was announced by Professor Ali Wardhana, the Economy Minister, last Wednesday at 11.30am in the middle of the trading day and became effective from the moment it was made public.

But according to several of 27 or so banks licensed to deal in foreign exchange, their early morning requests to buy dollars from the central bank were turned down, leaving several of them extremely exposed.

A number of bankers believe that Wednesday's trading in foreign exchange was one of the heaviest ever

in Indonesia as speculation that a devaluation would soon take place reached fever pitch.

The foreign exchange banks are believed to have put in requests to Bank Indonesia for purchases of well over \$150m early on Wednesday morning.

Few bankers believed that an announcement would become effective in the middle of a working day, much less that Bank Indonesia would not honour the rate that it had officially set at 9am that morning.

The result was that many of the less cautious banks continued to sell foreign currency to customers until they found out that an announcement had been made. Several bankers estimate total losses at more than \$10m.

Indonesia Government officials deny that those banks which put in their request before 11.30am were refused dollars at the old rate. They

also deny that intense speculation forced the authorities to announce the devaluation before they were ready.

According to one official "tens of millions of dollars were sold to the banks on Wednesday morning" and "we had planned the devaluation for some time; it was not a last minute decision at all."

A number of bankers, however, are upset, not to say angry. According to one banker: "It was highly unusual to announce a devaluation in the middle of banking hours, but for Bank Indonesia to fail to meet its obligations by honouring the official rate it had set at 9am is unacceptable."

"We were convinced that our demand for dollars would be met and we acted on that basis. The whole affair was very poorly handled."

Recognition that some problems did exist came at the end of last week when bankers met Finance

Minister Radius Prawiro and central bank Governor Arifin M Siregar.

Mr Arifin agreed to set up a special committee to look into complaints and sort out what he referred to as "the transitional problems that are bound to occur."

At the same meeting, Mr Radius Prawiro indicated that in March alone, Bank Indonesia had sold as much as \$1bn of foreign currency, though he did not make it clear whether this had all left the country.

This could well mean that Indonesia's official foreign reserves are now down to less than \$3bn, about two months of non-oil imports.

The last publicly quoted figure was \$3.35bn given on March 10. Twelve months ago, Indonesia's official reserves were \$8.35bn and covered almost five months of non-oil imports.

Morley comes to the Stock Exchange

By Dominic Lawson in London

ONE OF Britain's most glamorous companies will shortly be making its Stock Exchange debut, with the decision of Mr Eric Morley that his Miss World Group should join the Unlisted Securities Market.

On April 14,810,000 shares in the company will be placed by stockbrokers Schawerda at 80p each, valuing the whole company at £1.17m. Mr Morley said yesterday "the whole object of the exercise is to pay off a £480,000 loan. Then Miss World will start life as a quoted company debt-free."

Details of the move revealed in the Financial Times two months ago, were announced by Mr Morley over Easter.

The Miss World competition, founded in 1951 by Mr Morley, was for many years part of Mecca.

After several changes of ownership, Miss World became part of Belhaven, the Scottish brewing and leisure company chaired by Mr Morley. Last December Mr Morley and his wife Julia exercised an option to purchase Miss World from Belhaven.

Miss World Group is essentially a marketing operation, gaining its profits from advertising and endorsements connected chiefly with the winner of the annual competition. Mr Morley said yesterday "our income from television contracts is assured for the next three years, barring a world war."

In 1981 the company made profits of about £50,000, and in 1982 made £150,000. This year the company forecasts that it will reach £300,000 pre-tax.

Following the share issue, Mr and Mrs Morley will hold about 51 per cent of the equity, and Mr Morley insisted yesterday "we are not selling any shares as part of the issue."

Stockbrokers to the share placing are Schawerda. The rest of the financial arrangements will be handled by the Industrial Finance and Investment Corporation (IFICO), which itself arrived on the Unlisted Securities Market last November since when its shares have almost doubled in value. Mr Christopher Norland, chief executive of IFICO, is to join the board of Miss World.

The Miss World stock market debut has been compared with that of Miss Debbie Moore's Pineapple Dance Studios, which made a spectacular entrance on the USM last year. Its shares were placed at 50p, and within months had tripled in value. But yesterday Mr Morley insisted that the companies were not at all comparable.

Arafat sees 'no merit' in Reagan proposals

BY PATRICK COCKBURN

LEADERS of the Palestine Liberation Organisation (PLO) met yesterday in Jordan for critical talks which could affect the fate of President Reagan's Middle East peace plan.

Mr Yassir Arafat, chairman of the PLO, had two days of talks with King Hussein of Jordan over the weekend on the question of Jordan starting talks with Israel.

Diplomats, however, are pessimistic about the possibility of the PLO giving King Hussein a mandate to negotiate on its behalf.

The US has proved unable to persuade Israel to withdraw from Lebanon or to freeze its settlement programme on the West Bank, both of which King Hussein laid down as preconditions for his joining the PLO.

Mr Arafat said over the weekend that he saw no merit in the Reagan proposals - calling for autonomy for the West Bank and Gaza in association with Jordan - but he did not completely reject them.

When it does emerge it will probably have to be ratified by another meeting of the 22-member Arab League, apart from Egypt, which is

to meet in Morocco in the middle of the month.

Both Arab and Israeli leaders believe that Washington's capacity to put pressure on Israel to make concessions will diminish once the US presidential race gets underway.

This makes it unlikely that either King Hussein or the PLO will take any political risks in trying to get talks started, since neither believe that the Israelis are prepared to freeze their settlement programme.

Our Foreign Staff writer: Mr Francis Pynn, the Foreign Secretary, will visit Saudi Arabia next weekend on a trip that was cancelled by Riyadh earlier this year in retaliation for Britain's refusal to receive a member of the PLO as part of an Arab League delegation.

Washington also denied the PLO a place at the negotiating table and wanted King Hussein to represent the Palestinians.

After yesterday's talks by the 15-member PLO executive committee there may be further talks between King Hussein and Mr Arafat, but the shape of any new peace formula is not clear.

The row was resolved last month when a Palestinian academic acceptable to both sides was included in the team, headed by King Hussein of Jordan, which was given red carpet treatment in London.

Commodities chief in Hong Kong to fight suspension

BY ROBERT COTTRELL IN HONG KONG

MR PETER SCALES, chairman of the Hong Kong Commodity Exchange and one of the colony's leading financial figures, has lost his registration as a dealer and investment adviser in securities.

The registration was revoked in an order by Mr Robert Fell, Securities Commissioner, who has also suspended until the end of the current year the registration of Mrs May Wu Scales, Mr Scales' wife.

Mr Scales says he plans to contest Mr Fell's action, which relates to alleged misconduct in a brokerage firm called Wustock Brokers, whose directors and shareholders are Mr and Mrs Scales. No reference was made to Mr Scales' commodity-related activities.

A statement released by the Securities Commission last week said that Wustock passed a client's securities to a third party without adequate safeguards. Mr Scales declined to discuss details of the affair because of legal action he is pursuing against a former associate.

He added that he was preparing an appeal against Mr Fell's order. A two-stage appeal process is available to him. A disciplinary committee constituted under the terms of Hong Kong's Securities Ordinance may hear the case. Beyond that, Mr Scales said there was the possibility of a high court appeal.

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INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Higher short-term rates dampen market enthusiasm

U.S. BOND prices marked time last week, waiting for the end-quarter pressure on short-term rates to subside and hoping for some clearer picture of Federal Reserve policy to emerge.

New issue and retail buying activity in the bond market ahead of the extended holiday weekend was very limited. A high and very volatile Fed funds rate also dampened market enthusiasm.

The funds rate traded up to over 16.5 per cent on Thursday before an unusually large \$3bn Fed customer repurchase helped bring the rate back down to close at 8.75 per cent on Friday.

The higher funds rate pushed up other short-term rates in an already uneasy market. The weekly Treasury bill auctions produced the highest three-

U.S. INTEREST RATES

	Week to Mar 21	Week to Mar 25
1-month T-bills	8.63	8.62
3-month CDs	10.85	10.75
30-year fixed home loan	11.03	11.02

Source: Salomon Bros. (estimates). In the week ended March 23, M1 increased by \$400m to \$497.2bn from a revised \$496.8bn.

month Treasury bill rate since August 9 last year.

Over the past week short-term rates gained a further 20 basis points, the fourth successive weekly increase. As a result the three-month rate has moved from about 25 basis points below the Fed discount rate towards the end of February to about 50 points above the discount rate.

Long-term rates over the same period have risen considerably less sharply, leading to a significant flattening in the yield curve.

The money and credit markets searched for explanations for the surge in the Fed funds rate and mainly came down on the side of technical explanations.

In particular they noted the demand for funds on Thursday, and again yesterday, to settle the \$58bn of Treasury notes which the market bought two weeks ago in the mini-refunding, and commercial bank

Receiver called in at Spanish paper group

By David White in Madrid

TORRAS HOSTENCH, Spain's fourth largest paper company, has gone into temporary receivership, citing as a major reason the growing weight of foreign currency debt on its financial costs.

The suspension of payments, presented to a Barcelona court, came after the company of reports that it had reached agreement on rescheduling its debts.

The group, based in Catalonia, has a workforce of 1,200 and had 1982 sales of about Pta 16bn (\$1.12m).

Other reasons cited by the company for its decision were the slack state of the market, increased energy costs, and problems in exporting.

The suspension decision affects both the parent company and its fully owned subsidiary, Industrial Cartonera. Their joint liabilities amount to some Pta 23bn.

Less than 18 months ago Terra successfully renegotiated its debts with Spanish and foreign creditors. As a result of the agreement, three Spanish banks, Hispano Americano, Urquiza and Banco Exterior, took up a 15 per cent stake.

Between 1979 and 1981 the group had accumulated credits from foreign banks estimated at \$45m.

Dutch shipyard rescue near

ROTTERDAM—A plan for salvaging part of the RDM Rotterdam shipyard, formerly part of the failed Rijn-Schelde Verolme (RSV) shipbuilding concern is near completion, according to Mr. J. C. Melchers, director of the concern.

Next week a Dutch court is expected to declare RDM bankrupt. This will set in motion a plan to reorganise RDM into two smaller groups, a civil group dealing with shiprepair work and a marine group which will handle defence work.

He said his bank would chal-

lenge the commission's decision before the Federal Court. Mr. Akiva Persitz, one of two Israeli nationals on the board, refused to comment further because "the whole situation is under investigation."

The commission said the Cayman Bank had "grossly over-spent the principles of the healthy spread of risks". It implied that, as a result of its involvement in the Cayman Bank, Banque Commerciale had exceeded the Swiss legal requirement that loans extended to a single client—the official statement clearly implicated

HK fraud action by Lloyds International

BY OUR FINANCIAL STAFF

LLOYDS BANK International, the international unit of Lloyds Bank, has accused four Hong Kong businessmen of defrauding the bank and has charged its former lawyer in Hong Kong with negligence.

The charges, filed in Hong Kong last week, followed a court action brought in October against Mr. Victor Fitch-Vernet, the former manager of LBI's Hong Kong branch, as well as his wife and two compatriots linked to the couple. That suit also named Hongkong and Shanghai Banking Corporation, from which LBI sought to obtain records of the couple's current account.

In last week's court filing, LBI alleged that it had been defrauded by Mr. Eddie Lo, Mr. Kicky Lo and Mr. David Lo, who are senior executives of the Mee Kwong group, one of Hong Kong's largest garment makers, and by Mr. Anthony Lo, a cousin of the three and a senior executive of Great Eagle Company, a property concern. The bank also alleged that Mr. Tom Tong, LBI's former lawyer in Hong Kong, had caused the bank to lose money because of negligence.

Mr. Tong retired last Thursday as a partner in Johnson, Stokes and Massie, a local law firm. The firm and two nominees companies it controls also are named in the latest filing.

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Montedison drugs unit lifts profits by 36%

By Our Rome Staff

MONTEDISON, the troubled Italian chemical group, has received a welcome boost from its pharmaceutical subsidiary, Farmitalia Carlo Erba, which has announced a 36 per cent rise in profits last year.

Net profits were an impressive L15.1bn (\$33m) compared with the L12.7bn the company Italy's largest in the pharmaceutical market, posted in the preceding year.

Group turnover climbed 13 per cent from L622bn in 1981 to L700bn last year, slightly less than the average rate of inflation in Italy of some 16 per cent in 1982.

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BUILDING AND CIVIL ENGINEERING

UK team pitches for Saudi Arabia 200 project

WILDLIFE expert Tony Slesinger is used to big game, though nothing quite so enormous as the £100 Saudi Arabian zoo project which, with his help, might soon be netted by a team of UK consultants.

A decision on whether or not to proceed with the scheme is expected within two to three months and the British reckon that, given the go-ahead, they are in pole position to pick up the job.

As chief executive of Wildlife Management Consultants, Slesinger is a globe-trotting animal buff who delights in providing wild animals and animal advice to those in need.

It was on a visit to Saudi Arabia in 1981 that he was invited by a local consultancy to make a submission for an ambitious zoological gardens scheme planned for nearly 1,500 acres of sandy, mountainous land on the outskirts of Jeddah. The site franks the Mecca road and would prove a major attraction for pilgrims.

The plan had been around for several years, taking a temporary back-seat in the Saudis' list of spending priorities. On this occasion, however, there appeared to be a fresh sense of determination to go ahead; Slesinger hurried back to the UK to talk to contacts in London.

Those contacts turned out to be Christopher Carnell and David Green (pictured at Carnell: "The opportunity was too good to miss and we decided

to stand a chance if we assembled a team of specialists who could put together a package."

Together, the two men had established Carnell Green as the overseas arm of the Hawksley operation. Both experienced in Middle East work and keen to sign up foreign commissions, they listened to what

that we stood a chance if we assembled a team of specialists who could put together a package."

By the start of 1982, the consultancy team had been put together and flew out to Jeddah to discuss the huge project with Technical Productive Corporation (TEPRCO), a local trading and contracting operation which was acting on behalf of the client, the Ministry of Municipal and Rural Affairs, Municipality

The team's plans involve a phased development and include a visitors' centre, a large education centre and several reference houses featuring various animal families. The residents of an existing zoo on site will be rehoused in a new urban zoo complex. Major considerations in determining the shape of the project have been the provision of water and land.

Phase one will comprise the visitors' centre and the urban zoo and the UK team says it is geared up to provide a couple of tigers, an elephant, big cats, giraffe, zebra and hundreds of birds to complement the animals already present.

In putting together their proposals, the consultancy team visited the United States to examine the Sonora desert museum, possibly the best arid land zoo in the world, San Diego wildlife park and the Bronx zoo. It was a "crash course" which hardened up the concept they had already formulated.

Armed with their own ideas and the pick of the best, the team submitted its master plan last autumn, since when substantial changes

have been made following detailed talks between the two sides.

From the outset, there has been a flexibility on the part of all the participants which has enabled us to come up with something acceptable to everyone. In a very free-thinking exercise, we have each put up proposals and counter proposals and eventually arrived at the right outcome," Carnell adds.

After the hectic activity of the last 15 months, comes the waiting and the nail-biting. The participants are only too well aware that the scheme has been proposed for some time and equally aware that Saudi Arabian spending programmes

are undergoing review in the wake of the fall in oil consumption and prices.

According to Christopher Carnell: "We have delivered 30 crates of tender documentation with the Saudis and are waiting for the thumbs up. We reckon we are very well placed because, as far as we know, no-one else managed to mobilise such a short time. In any case, we have got the most exciting concept and the best scheme."

"If the plan fails through, then it is fair to say we will have lost money on getting it this far. If it works, it will have been worth every grey hair."

MICHAEL CARNELL

CONTRACTS

Trollope & Colls win £20m office block

TROLLOPE & COLLS, part of the Trafalgar House group, has been awarded a £20m contract to build an office block in Woking by Westbourne Terrace Investment Co. Situated in Duke Street, work has begun on the development which will consist of an "E" shaped building, part seven and part eight storeys high, with basement parking for over 400 cars.

More than 19,250 sq metres of air conditioned office space will be provided as well as areas for amenity uses. The building will have reinforced concrete raft and an RC frame. The cladding will be a series of brick panels with precast brick faced panels. Thirteen lifts and eight staircases will serve the office floors. The building is due to be completed in April 1985.

Contracts totalling nearly £8m have been won by the Midlands regional office of **CLARKE CONSTRUCTION**. They include warehouse units at Oldbury (£1.1m) and a distribution depot at Stoke (£1.1m) for Echo Estates; 64 dwellings, Burton on Trent, for East Staffordshire District Council (£5.1m); a distribution depot, Wellington, for Talsall Heath, Birmingham, for the Harden Housing Association (£717,000) and a new primary school and nursery for Derbyshire County Council, Swadlincote-Newhall (£250,000).

WILTSHIRE INTERIORS has secured a number of interior contracts worth £1m over the past three months. Work includes a casino and restaurant

in the Imperial Hotel, Russell Square for Stakis, the complete refurbishment of the Britannia Hotel, and reception at the Britannia Carlton Tower, a private flat refurbishment in Bentinck Close, building and refitting for Tesco at Ashford and refurbishment work at Terminal 3, Heathrow for the British Airports Authority. All are due for completion by the end of 1983.

A £6m design and build contract for engineering workshops and offices at Sellafield, Cumbria, for British Nuclear Fuels has been awarded to **FARICLOUGH** of Swinton, near Manchester. Under an 82-week contract, Faricloud will design and construct 5,000 sq metres of single storey workshops, a two-storey office building with floor space of 8,000 sq metres, external compound area, small ancillary buildings, a car park and access roads. The building structures will have a portal steel frame clad in profiled aluminium sheeting. The contract incorporates furnishings and general fitting out.

SINDALL CONSTRUCTION has been awarded contracts totalling £1.8m including a day centre at Neath Hill, Milton Keynes for the Buckinghamshire County Council worth £619,563 and flats and houses at Harrow Road for the London Borough of Waltham Forest worth £687,354. Sindall also has a £545,158 contract for 21 almshouses and warden's house at Chesterfield Road, Bunting for the Trustees of Eleanor Palmer Charity.

GRENDON

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Fast work at Standon House

ONE FEATURE of the building recession is the speed at which available work is being completed. Saving time saves money as Willett, part of the Trafalgar House group, knew when it tendered for Peachey Property's Standon House development in the City of London in March of last year.

Standon House, a 42,000 sq ft once building in seven storeys at the junction of Brancaster Street and Mansell Street just within the City's eastern borders, was topped out last week and is due for completion next October or November.

"The contract first came out on a 21 month period," says Derek Blundell, technical director of Willett which started on the £3.7m job last April. "we came in on 18 months."

Willett achieved its time saving in a number of ways, he says. It decided to use no external scaffolding; cantilevered scaffolding allowed external cladding to proceed at the same time as the frame was being completed.

"We also looked at the work within the building," says Mr Blundell, "and started the work on services early." High level duct work and pipework were achieved at a much earlier stage than normal, he says.

He also points out that completion early in the winter avoids a "dead" period after the Christmas holiday.

"Quicker is cheaper," says Mr Blundell, noting that contractors' staff, plant, scaffolding and so on can add up to between eight and 15 per cent of the contract's value. Willett, nevertheless, is hoping that it will come out with a profit.

Savings here have allowed Peachey to spend more within a total development cost of some £2m, on quality finishes. Principal elevations are of Sardinian grey polished granite, with bronzed anodized aluminum windows.

Inside there will be extensive use of marble and polished wood in the common areas. The area has recently attracted prestige tenants like insurance brokers Sedgwick, Bain Daws and Hogg Robinson. Peachey wants that sort of tenant, rent close to £18 a foot and a total rent roll of £650,000 which it reckons would value the building at over £15m completed and fully let.

"It would make an ideal headquarters building for companies which are shrinking and moving," says John Brown, Peachey's managing director.

"We have also had eight serious enquiries from people thinking of buying it for owner occupation. It's a freehold, and there are not too many of those in the City."

WILLIAM COCHRANE

Restoration at Kingston Lacy House

ERNEST IRELAND CONSTRUCTION, a part of the John Nowell Group, has been awarded a £1.05m contract by the National Trust for restoration work to Kingston Lacy House, near Wimborne, Dorset.

Kingston Lacy House is part of the estate of some 16,000 acres which was bequeathed to the National Trust in 1981 and is its largest bequest.

Work is to be undertaken by Ernest Ireland's Bournemouth regional operations office, involves extensive repairs to the fabric of the building, roof, facades, windows and minor alterations to facilitate access to members of the National Trust and the general public when the house opens in 1985.

A fully protective scaffold and temporary roof will envelope the building while roof and stonework repairs

are carried out. The interior repairs and alterations to the mechanical services and electrical installations will then be undertaken in conjunction

with all related fittings and finishes. Work has already commenced and completion is scheduled for the summer of 1984.

Lovell's £3.5m in Croydon

London architects, **Damond Lock, Grabowski & Partners**, has awarded a £3.5m contract to **Y. J. LOVELL (SOUTHERN)** to undertake the construction of an eight storey office building at 5 Bedford Park, Croydon. The building will provide 46,000 sq ft of air conditioned offices. Work on site started in November and completion is due in April 1984.

BALFOUR BEATTY CONSTRUCTION, part of the BICC Group, has been awarded a £1.8m contract by the British Gas Corporation for the civil engineering and building works associated with a gas compressor station at Warrington, Cheshire. Work comprises the construction of a control building, two compressor cabs, four minor buildings and miscellaneous plant foundations, water reservoir for fire fighting, drainage, ductwork, landscaping and fencing. All M & E installations, including a considerable amount of ductwork connecting the buildings, are included in the contract. Structural steel-work will be supplied by Painter

TRACTS has been awarded a contract for the first phase of the conversion of Stouts Hill, Uley, Gloucestershire, into "time share" suites. The contract, which is in excess of £300,000, includes the restoration of the exterior of the main building, the refurbishment of the interior and the construction of nine self-contained luxury suites with a heated pool and dining facilities.

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

WORLD GOLD

in 1983 & 1984

The fifth FT Gold conference to be held in Lugano, Switzerland on 22 and 23 June 1983 will stress the market production and investment outlook. The silver market and gold-silver price relationships together with monetary questions will also be analysed.

Robert Guy of Rothschilds will chair the first day and give the Opening Address. The speaker platform will be as authoritative as at previous meetings in this well-regarded series.

For further details please contact:

FINANCIAL TIMES CONFERENCE ORGANISATION

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Continued on Page 21

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 2

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

These figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and yield are shown for the new stock only. Unless otherwise indicated, rates of dividends are annual disbursements based on

dividend also extra(s). b-annual rate of dividend plus dividend. c-liquidating dividend. ckd-called. d-new yearly dividend declared or paid in preceding 12 months. g-did in Canadian funds, subject to 15% non-residence tax. i-declared after split-up or stock dividend. j-dividend this year, omitted, deferred, or no action taken at latest d-meeting. k-dividend declared or paid this year, an accumulated issue with dividends in arrears. n-new issue in the last 2 weeks. The high-low range begins with the start of trading next-day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. t-split. Dividends begins with date of split. sis-sales. t-amount paid in stock in preceding 12 months, estimated cash on ex-dividend or ex-distribution date. u-new yearly high/long history. vi-in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by a company. wd-widely distributed. wi-when issued. ww-warrants. x-ex-dividend or ex-rights. xdx-ex-distribution, without warrants. y-ex-dividend and sales in full. yld-yield.

INTERNATIONAL ECONOMIC RELATIONS

How the Third World is changing its strategy

By David Tonge, Diplomatic Correspondent

THREE-QUARTERS of the countries of the world are currently meeting in Buenos Aires to put the finishing touches to a new strategy for economic negotiations with the industrialised

world. The meeting is of the "Group of 77"—the informal body in which the poorer countries co-ordinate their economic activities in the UN. Those attending have been charged with putting into action a major shift in policy just agreed by the leaders of most of the Third World.

The movement meets at a more senior level than the Group of 77 and largely sets the course the latter follows. If northern countries play down the movement's influence, it is—they frankly admit—because they know that treating it seriously would increase the credibility of the movement's demands for economic change. It has long been agreed up behind the "Third World" demand for a "new international economic order" and it backed a call in 1979 by Algeria for "global negotiations" to start. But these discussions—which would have taken place within the UN and challenged the West's control over bodies such as the IMF and World Bank—have been blocked by Britain, the U.S. and West Germany.

The movement's change in tone at last month's New Delhi conference came as Mrs Indira Gandhi, the Indian Prime Minister, took over its leadership from Cuba's Sr Fidel Castro. Just as suggestions that the Soviet Union is the "natural ally" of the non-aligned have been buried—to Mrs Gandhi's declared approval—so the changes on the economic front broadly bring the approach of the non-aligned close to that of India.

The developing countries still attack the "present iniquitous economic system" and describe global negotiations as "the most important and comprehensive endeavour of the international community," as their 50,000-word New Delhi communiqué says.

This is in line with the Indian view that the present economic crisis is structural and not a natural part of the business cycle. To Mr Romesh Bhandari, India's chief economic negotiator at the conference, the instruments developed after the Second World War are no longer applicable or effective in the changed technical, ideological and social conditions of today.

The situation has gone haywire. For that reason we talk of the need for structural change," he said in an interview after the conference.

But the key to his thinking—and now to that of the Third World as a whole—is that years of pressing for structural change and global negotiations have led nowhere. This is why,



Cuba's Fidel Castro has just handed over the leadership of the Non-Aligned Movement to India's Mrs Indira Gandhi

he says, in areas such as debt

"you simply cannot postpone immediate measures."

This may seem only a small change, but moderate leaders of the Non-Aligned Movement, such as Yugoslavia, argue that it was the maximum that could be achieved at a single conference. To reinforce their case they point to the problems faced by Algeria in accepting the shift. That country had

spurned the calls for a new international economic order ever since it hosted the fourth non-aligned summit in 1973.

Mrs Gandhi's officials thus made a point of persuading

Algeria to accept a change even before the conference began.

Yet nights of debate between

Algeria, representing the

radicals, and India supported

by the pragmatists were re-

quired before a formula could

be found which pressed for im-

mediate measures but did not

abandon calls for a change in

structure.

In the end the New Delhi summit's formula is very similar

to that proposed by the Brandt

Commission on North-South

issues in its latest report,

Common Crisis, published in

February. This repeats the plea

for structural change made in

its 1980 report, but it puts its

emphasis on a step-by-step approach "directed to averting world collapse" and concentrating on the financial field.

The communiqué of the New Delhi summit makes clear how disillusioned the developing world is at the results of nine years of North-South dialogue.

"Hardly any progress... insignificant results... utterly inadequate minimum package... tardy and inadequate" are the comments peppered in the section on such negotiations.

Far from obtaining a larger slice of the world's cake, developing countries have had to deal with a recession which has caused average income in at least 26 of the world's poorest 38 countries to fall in the past two years.

In 1981 and 1982 developing countries suffered a net foreign exchange loss of around \$200bn (£132bn), according to the non-aligned's communiqué. Export earnings have fallen by \$150bn (£102bn) and debt service payments risen by \$10bn (£7bn). Now the new bank lending to oil developing countries is slumping.

After increasing by \$40.4bn in 1981 and a further \$15.8bn in the first half of 1982, it fell by \$0.8bn in the third quarter of last year and is believed to have tumbled since.

"This massive decline in foreign exchange availability translates itself into a corre-

sponding decline in import capacity... thereby reducing the exports of developed countries and threatening a major and cumulative contraction in world economic activity," warns the New Delhi communiqué.

Mrs Gandhi, who will chair the Non-Aligned Movement for the next three years, argues that this interdependence between North and South underlines the need for action by the West:

"Given the present state of some of the developed economies in the western world it would be to their advantage to turn to the South and seek its co-operation," she said after the conference.

In recent speeches Mr George Shultz, the U.S. Secretary of State, has also stressed the interdependence of the developed and developing worlds. He has cited estimates that a \$25bn drop in capital flows to developing countries cuts OECD growth by at least 0.5 per cent.

Mr Shultz has four objectives: "First, ensuring sufficient liquidity in the international financial system; second, preserving open markets; third, improving the international monetary system; and fourth, ensuring political stability in the developing world."

All this would not sound amiss on the lips of many Third World leaders, but differences

emerge when it comes to specifics. While Mr Shultz believes that the key to recovery in the South is renewed growth without inflation in the North, the developing countries argue that the current "downward spiral" can only be reversed by a major expansion of world liquidity.

It is this which makes them call for a major allocation of the IMF's special drawing rights, attack the recent 47.5 per cent increase in IMF quotas as disappointing, and call for these quotas to be doubled.

It is also this which makes them reject Mr Shultz's argument that the key to recovery from the debt problem lies with increased exports from developing countries. However true that may be in the medium-term, they believe that major debt rescheduling exercise is needed to give countries relief until the world economy returns to conditions similar to those prevailing when the debts were incurred.

The battle lines are clear. The non-aligned summit means that the South's shrill voice of protest has given way to a more reasoned message. But as the West prepares for its summit meeting at Williamsburg next month the developing world is expecting it to pay due attention to the anxiety which has caused the change.



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UK COMPANY NEWS

Desoutter Bros. falls to £1.7m

SECOND HALF pre-tax profits of precision mechanical engineering concern Desoutter Brothers (Holdings) fell from £922,000 to £674,000 and left the full year's figure to December 31 last, behind at £1.62m, compared with a previous £1.8m.

At the interim stage, with profits just down at £1.02m (£1.08m), the directors said they expected the year's outcome to be similar to that of 1981.

They now explain that a lack of a sustained recovery from the recession in the second half of the year brought about a decline in trading profits—these amounted to £2.15m for the 12 months, against £2.51m for the 12 months.

The decline, the directors say, was mainly apparent in the company's European subsidiaries where they suffered trading losses in most countries. The reduced operating costs and improved efficiency enabled them to limit the reduction in profit margins, they add.

The dividend for the year is now £1.7m, 50p per 25p share with a same AGAIN final distribution of 3p.

Turnover for the 12 months moved ahead slightly from £24.6m to £25.53m and the pre-

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends, options, applications and similar issues as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

INTERIM: Ingall Industries, New Court Trust.

FINAL: A.P.W., British Pindar and Commercials, Jardine Matheson, Johnson Group, Cunard, Esso, etc.

FUTURE DATES

British Vending Industries ... Apr. 7

British Securities ... Apr. 11

Oil & Gas Production ... Apr. 13

Perry (Harold) ... Apr. 20

Spies (George) ... Apr. 26

Turnover figure was after interest charges down from £205,000 to £40,000.

After tax of £587,000, compared with £598,000, net profits emerged £305,000, lower at £1.1m, giving earnings per share of 11.03p, against a previous 27.04p.

Overseas problems put Conder in the red

A LOSS of over £2.5m on building contracts in Iraq and Nigeria contributed to Conder International plunging into the black in 1982. There was a pre-tax loss of £528,000 compared with profits of £1.02m, with the second half showing losses of £1.07m against profits of £491,000.

No final dividend is being paid, against 25p not for the full year of 1.5p (4p).

Turnover of this Winchester-based erector of steel-framed buildings fell from £102.29m to £94.82m. The pre-tax loss included associated profits of £102,000 (£171,000). Tax was considerably lower at £104,000 compared with £202,000.

There was an extraordinary debit of £166,000 (£150m), being mainly redundancy and associated payments which totalled £304,000 (£1.22m).

The loss per 25p ordinary share was £0.09, against earnings of 9.9p previously.

The losses on building contracts included losses incurred during the year which affected the company had to make in the second half for further losses in completing the contracts.

These losses, because of circumstances beyond the company's control, and they cite the Gulf War as one of the reasons.

The directors say the company is adapting to the changed business climate of the 1980s, and diversifying into several important growth areas. New products, and activities have been developed and these now account for 50 per cent of turnover. They say several of these are already profitable, and others have great profit potential.

Although the company had a series of setbacks overseas, the balance sheet remains sound. The chairman has every confidence in the future of the group.

Lambert Howarth

Benefits from a rationalisation programme at Lambert Howarth Group became evident in 1982 according to the directors on reporting an increase in pre-tax profits from £627,110 to £1m. Current sales and deliveries are "modestly above" last year, and a higher dividend and one-for-five scrip are proposed.

Sales of this footwear manufacturer are up ahead from £15.1m to £17.45m.

The net final dividend has been lifted from 3.6p to 4.25p, which helps raise the total from 4.75p to 5.75p. Earnings per 20p share are given as increasing from 14.5p to 18.5p.

Bambers £3.5m loss: payout cut

AS EXPECTED, Bambers Stores, the clothing manufacturer and retailer, moved back into the black in the second six months, but at the pre-tax level the group still finished well in the red for the 51 weeks ended January 29, 1983.

The second half contributions amounted to £426,000 (£1.18m), and left the deficit for the full year at £3.49m, which compares with a profit of £2.66m for the previous 52-week period.

The first few weeks of the current year show "encouraging signs" and although the directors believe the company is well placed to take advantage of any upturn in the economy they are reducing the dividend for 1982-83 by 1.45p to 0.25p per 10p share by a reduced final—no interim was paid.

Turnover for the year under review declined from £39.55m to £37.75m. The deficit included a profit of £1.04m from property disposals, compared with £1.3m previously.

Tax took much less at £2.63m (£263,000) but allowing for extraordinary debits of £1.17m (nil) the loss at the attributable level came through at £4.65m, against a surplus of £2.33m for 1981-82.

Dividends will absorb £90,000 (£12,000) leaving the retained profit at £7.75m (£1.75m profit).

Stated loss per share amounted at 9.75p (£6.65p earnings) pre-exceptional, which comprised £592,000 deferred expenditure

written off, £251,000 head office relocation expenses, £193,000 trade dispute damages and £131,000 loans to suppliers written off.

The directors say that following a reassessment of the potential profitability of some of the group's large retail stores, they decided to write off the deferred expenditure representing the cost of developing and opening the stores.

During the financial period they also undertook an extensive review of all the company's manufacturing operations and substantial overhead savings were made. Implementation of its stated programme of rationalisation commenced and the head office and distribution complex was moved to Centric House, London.

Subsequent to the group's financial year-end, Aldersgate House, New Barnet, has been sold for £2m, which will result in a substantial saving in interest charges of £100,000.

The formation of a better second six months was made by Mr L. Vernon, the chairman, in his interim report. He said that although this would not lead to a profit for the whole year, he felt that the measures that had been taken and those that were planned would place the company on a positive track to resume its normal trading pattern.

He was confident that Bambers' recent problems were behind it and that the medium-term prospects continued to be good.

RESULTS AND ACCOUNTS IN BRIEF

BAIRSTOW ESTATES (estate agency)—Results for 1982 reported on March 9, 1983. Shareholders' funds £47.1m (£64.01m); fixed assets £1.44m (£1.12m); net current assets £1.25m (£1.02m); working capital £3.3m (decrease £200,000). Meeting: Drury Lane Hotel, Drury Lane, WC2, on April 20 at noon.

T. F. & J. H. BRAHME (HOLDINGS) (deep drawn press work)—Results for 1982 reported on April 12, 1983. Shareholders' funds £174,577 (£224,956); net current assets £1.43m (£1.38m); increase in net liquid funds £1.75m (£55,000).

MARLEY (building products)—Results for 1982 already known. Ordinary shareholders' funds £145.8m (£125.5m); fixed assets £10.2m (£9.5m); net current assets £5.8m (£5.2m); working capital £1.2m (£1.25m). Meeting: 17.4.83.

WEST BRUNSWICK (manufacturers of sports products)—No dividend for 1982. Group turnover £190.751 (£87.125). Group net profit £10.25m (£1.25m). Ordinary shareholders' funds £145.8m (£125.5m); fixed assets £10.2m (£9.5m); net current assets £5.8m (£5.2m); working capital £1.2m (£1.25m). Meeting: 17.4.83.

CHARTERHALL (oil, natural gas and mineral exploration and mining)—Results for 12 months to December 31, 1982, £247,000 (£39,000): turnover £1.11m (£250,000); petroleum taxes £1.11m (£250,000); interest charges £1.05m (£220,000); depreciation and depletion £1.05m (£220,000); interest £1.05m (£220,000). Pre-tax loss £53,000 (£24,000). Ordinary shareholders' funds £145.8m (£125.5m); fixed assets £10.2m (£9.5m); net current assets £5.8m (£5.2m); working capital £1.2m (£1.25m). Meeting: 17.4.83.

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ELVIS (WIMBLEDON) (retailing)—Final dividend 8p making 7p (£5.85p) per year for 1982. Total profit £27.25m (£2.75m). Including VAT £508,000 (£100,000). Attributable profit £268,000 (£100,000) after all charges including £21,000 (£5,000) exceptional credits £77,000 (£20,000). Credit £148,657 (£14,000).

CASTLEHORN (London & Scottish Marine Oil)—Results for 1982 reported on March 11, 1983. Shareholders' funds £65m (£66m); fixed assets £20.4m (£20.6m); net current liabilities £1.47m (£1.46m); working capital £2.24m (£2.22m). Meeting: Barbican Centre, EC2, April 26 at 11 am.

CASTLEHORN (plant hire contractor (quoted on USA)—Pre-tax profit for 12 months to December 31, 1982, £16.00m (£9.00m); turnover £238,000 (£204,000); tax £6.00m (£nil). Earnings per 20p share 0.284p (nil). No interim dividend. Directors say turnover levels have been maintained despite various acquisitions, although tight margins have restricted profits. Board are hopeful that the second half will prove more profitable.

CASTLEHORN (PLASTIC RUBBER ESTATE)—Turnover £1.98m (£1.78m) for six months to December 31, 1982, including £22.00m (£20.84m) relating to the sale of the former British Rubber estates. Investment income £23.8m (£28.000). Pre-tax profit £34.000 (£26.000). Tax £8.000 (£24.000). Total profit £26.000 (£24.000). Ordinary shareholders' funds £145.8m (£125.5m); fixed assets £10.2m (£9.5m); net current assets £5.8m (£5.2m); working capital £1.2m (£1.25m). Meeting: 17.4.83.

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BIDS AND DEALS

Trust Secs. explains merger benefits

Trust Securities will be sent, listing full details of its Stockley Park development to share-holders of Percy Bilton before April 20, the first closing date of its reverse takeover bid for the property investment, construction and housebuilding company.

The Stockley Park scheme is the principal element of the Trust's development portfolio. The Universities Superannuation Scheme has already advanced about £7m, including interest received. In respect of this development, and has entered into an option agreement to finance a substantial proportion of the development.

Mr Peter Jones, chairman of the Trust, tells Bilton shareholders in the formal offer document that, to date, we have not undertaken any marketing of this

scheme, but we have already received serious tenant enquiries for well in excess of £m. (of the 1.5m sq ft of high technology accommodation). The details will be despatched to the target company, Mr Percy Bilton, "we approached the board and requested meetings with the directors. After some delay, they finally refused to meet us or to consider with us the benefits of a merger."

Trust proposes to offer nine shares plus 260p in cash of convertible stock for every four Bilton shares. A partial cash alternative is offered comprising four Bilton shares in exchange for seven new shares plus 260p nominally payable stock and 200p in cash.

Mr Jones states Bilton shareholders, who we believe that only management of the company are closely associated with Bilton, will be able to minimise and manage the consequences and arrest the decline in the value of the investment port-

folio." Trust reveals that, some time after the death over Christmas of the chairman and founder of the target company, Mr Percy Bilton, "we approached the board and requested meetings with the directors. After some delay, they finally refused to meet us or to consider with us the benefits of a merger."

The attitude of Mr Bilton's five far-flung heirs is not known, although it is understood that they are so far prepared, on the advice of their advisors to reject the 2100p offer in respect of their aggregate, 34.56 per cent holding.

The defence, marshalled by S. G. Warburg, is still understood

to be in the process of appointing a firm of estate agents to conduct a revaluation of the investment portfolio, and it is likely that the formal defence, which will not be prepared until after

the Stockley Park details have been despatched by Trust, will comprise an "armchair" or directors' valuation. Outside observers estimate that Bilton's assets range between 300p and 310p per share, against the initial value of Trust's terms at 290p per share.

Trust has published unaudited financials for 1982, showing a profit of £1m against £2.2m for the year to November 30, 1982, and, for one particular provision, 1982 would have been a record year, it claims.

It has provided £527,000 against a Plymouth development where "market" conditions did not improve sufficiently for Trust to maintain its interest in that property."

Trust has already declared an interim dividend of 0.73p per share and will maintain the total distribution with a second interim in lieu of the final of 1.25p per share.

McLeod Russel reduces Indian interests

McLeod Russel has sold the capital of Parimbaug to a private concern to Derrylls, a private concern to Derrylls, a private concern to Parimbaug, a private concern to Parimbaug.

Proceeds will be used to reduce further the present holdings of £5.5m from the 10 per cent of Scottish banks which helped finance the acquisition of Warre's Plantations Holdings in December 1982.

Principal asset of Parimbaug is its wholly-owned subsidiary, Warren Tea Holdings, which in turn owns 73.46 per cent of the capital of Warre's Tea Limited and 40 per cent of Warre's Industrial, both incorporated and operating in India. Warre's Tea Limited owns 12 tea estates in Assam, while Warre's, India, trial carries on the business of Australia, of 90 per cent

COMPAGNIE BANCAIRE

Société Anonyme
Incorporated in France with limited liability.

Regd. Office: 5 avenue Kléber, Paris 16ème.

NOTICE OF ANNUAL GENERAL MEETING

The shareholders of Compagnie Bancaire are invited to attend the Annual General Meeting to be held on Tuesday, April 26, 1983 at 3:00 p.m. at the Head Office, 5 avenue Kléber, Paris 16ème, to consider the following Agenda:

- The Report of the Board of Management.
- The Report of the Supervisory Board.
- The general report of the Auditors.
- The special report of the Auditors in accordance with Article 143 of the Law of 24th July, 1966.
- The examination and approval of the Balance Sheet and Accounts for the financial period 1982.
- The appropriation of profits and the fixing of the dividend.
- The confirmation of the co-option of four members of the Supervisory Board.
- The confirmation of the nomination of two censors.
- The renewal of the mandates of four members of the Supervisory Board.
- The determination of the fees paid to members of the Supervisory Board.
- The determination of the fees paid to the Censors.
- The authorisation to the Board of Management to issue bonds to a total of fr. 3 billion.
- Any other business.

In order to attend or be represented at the Meeting, owners of registered shares must have been entered on the register five clear days prior to the Meeting. Holders of bearer shares must deposit, at least five clear days prior to the Meeting at the Head Office, either their share certificate or a certificate of deposit, issued by the bank, financial institution or stockbroker with whom their shares are lodged.

Shareholders who wish to attend the Meeting are requested to make advance application to the Company for an admission card.

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited)

27/28 Lovat Lane, London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

2000's capitalisation	Company	P/E	Change			Gross Yield	Jilly
			Price on market (p)	Price on market (p)	Actual Yield		
4,465	Ass. Brit. Ind. Ord.	134	-3	6.4	4.7	7.8	10.2
	Ass. Brit. Ind. CULS	150	-3	10.0	6.7		
3,651	Alingspring Group	82	-1	10.0	9.7	16.0	16.0
3,600	Alingspring Rides	82	-1	10.0	9.7	2.6	6.3
19,063	Bardon Hill	312	+2	11.4	3.7	13.1	16.3
1,713	CCL 11pc Conv. Pref.	137	+4	15.5	11.5		
3,200	Cominica Group	210	-1	12.0	11.5		
4,024	Deutsche Services	92	-1	10.0	11.5	3.4	9.3
6,020	Frank Hormel	82	+3	—	—	7.7	8.2
8,567	Frank Hormel Fr Ord	80	+3	8.7	8.5	10.1	10.5
627	George Blair	71	-1	11.5	11.5	1.5	1.5
3,788	Ind. Precision Castings	78	+1	7.3	9.4	10.0	12.6
3,744	Iols Conv. Pref.	158	-1	15.7	10.1		
2,519	James Burrough	202	+4	12.0	12.0	4.4	8.1
1,510	Robert Jenkins	148	-2	20.0	13.5	1.6	23.5
3,820	Scrutons "A"	70	-1	5.7	5.1	8.1	10.5
2,747	Scrutons "B"	125	-1	11.4	11.2	6.0	8.8
4,004	Unilever Holdings	25	-5	0.49	1.8		
8,159	Water Alexander	84	-2	6.4	10.0	4.6	6.6
6,138	W. S. Yates	268	-4	17.7	6.5	4.1	8.4

FINANCE FOR INDUSTRY TERM DEPOSITS.

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 8/4/83.

TERMS (years) 3 4 5 6 7 8 9 10
INTEREST % 104 104 104 111 114 114 114 114

Deposits to and further information from The Treasury Finance for Industry plc, 91 Waterloo Rd, London SE1 8XP (01-928 7622, Ext. 367).

Cheques payable to "Bank of England, at FFI". FFI is the holding company for IFCF.

U.S.\$120,000,000 Guaranteed Floating Rate Notes due 1984

Citicorp Overseas Finance Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Unconditionally guaranteed by

CITICORP

Notice is hereby given that the rate of interest for the second one-month sub-period has been fixed at 9.48 per annum and that the interest payable for the second one-month sub-period in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$79.05. This amount will accrue towards the interest payment due May 31, 1983.

April 5, 1983, London
By: Citibank N.A. (CSSI Dept.), Agent Bank

CITIBANK

BIDS AND DEALS

Trust Secs. explains merger benefits

N.V. PHILIPS' GLOEILAMPENFABRIEKEN

(Philips Industries)

Eindhoven, The Netherlands

The Board of Management hereby gives notice that the

ORDINARY GENERAL MEETING OF SHAREHOLDERS will be held on Tuesday, April 26, 1983, at 2.30 p.m. in the "Philips' Jubileumhal" in Eindhoven, entrance Machiel de laat/Fredrikstraat. Shareholders of N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken (Philips' Lamps Holding) are entitled to attend this meeting.

AGENDA:

1. Opening.
2. Report of the Board of Management for the financial year 1982.
3. Report of the Supervisory Board on the financial statements for 1982.

4. Adoption of the financial statements and declaration of a dividend of £1.00 on the ordinary shares. Of this dividend an interim cash dividend of £0.60 has already been paid.

5. Proposal to authorise the Board of Management for a period of eighteen months, within the limits of the law and the Articles of Association, to acquire valuable consideration shares in the Company and in N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken at a price which must not be higher than the market price.

6. Announcement of the retirement of Mr. J. J. Spikerman from the Board of Management with effect from July 1983.

7. Composition of the Supervisory Board (Raad van Toezicht).

8. Announcement of the retirement of Mr. D. Noodhof who, being eligible, offers himself for re-election. The nominations put forward by the Meeting of Priority Shareholders are:

N.V. GEMEENSCHAPPELIJK BEZIT VAN AANDEELEN PHILIPS' GLOEILAMPENFABRIEKEN.

(Philips' Lamps Holding)

Eindhoven, The Netherlands

The Board of Governors hereby gives notice to the shareholders of the Company that the

ORDINARY GENERAL MEETING

will be held on Tuesday, April 26, 1983, at the "Philips' Jubileumhal" in Eindhoven, to be held following the meeting of shareholders of N.V. Philips' Gloeilampenfabrieken (Philips' Industries).

AGENDA:

1. Opening.
2. Report of the Board of Governors for the financial year 1982.
3. Adoption of the financial statements and declaration of a dividend of £1.00 on the ordinary shares. Of this dividend an interim cash dividend of £0.60 has already been paid.
4. Proposal to authorise the Board of Management for a period of eighteen months, within the limits of the law and the Articles of Association, to acquire valuable consideration shares in the Company and in N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken at a price which must not be higher than the market price.
5. Proposal to appoint a member of the Board of Governors to fill the vacancy arising from the retirement by rotation of Mr. D. Noodhof who, being eligible, offers himself for re-election. The nominations put forward by the Meeting of Priority Shareholders are:

1. Mr. D. Noodhof
2. Mr. C. J. van der Klugt.

6. Any other business.

7. Conclusion.

Shareholders, who (in person or by proxy) wish to attend and address the meeting and to vote thereat, are requested to notify the Company not later than April 19, 1983. The following regulations apply:

A. Holders of share-certificates to bearer should deposit such certificates not later than April 19, 1983, at one of the following banks in exchange for a receipt which will entitle the holder to admission to the meeting.

In the Netherlands: the Amsterdam-Rotterdam Bank N.V. in Amsterdam, Herengracht 595 or at the office of the Company in Eindhoven, Groenewoudseweg 1.

In the United Kingdom: Hill Samuel & Co. Limited, 45 Beach Street, London EC2P 2LX.

In other countries: at the banks designated for such purpose. Further particulars can be obtained from Hill Samuel & Co. Limited, London.

B: Holders of registered shares must notify the Company not later than April 19, 1983, in the way indicated in the letter of convocation sent them by the Company.

Holders of common shares of New York Registry must notify the Company at the address of Bankers Trust Company, Corporate Trust & Agency Group, P.O. Box 318, Church Street Station, New York, N.Y. 10015.

The Philips' Annual Report 1982 containing among other the financial statements, the auditor's certificate and the Report of the Board of Governors for the fiscal year 1982, is deposited for inspection at the Company and at the above-mentioned banks and is mailed to holders of registered shares. Copies of this report are available (free of charge) upon request at the Company's office (Corporate Finance, P.O. Box 218, 5600 MD Eindhoven) and at the aforementioned banks.

Eindhoven, April 5, 1983.

PHILIPS

PHILIPS

Moving office from London can save you £4 million a year

Gateway House Basingstoke

The premier award-winning office building in the South East. In an ideal, established business location.

Available as a whole - 157,150 sq.ft. or as two units of 107,150 sq.ft. and 50,000 sq.ft.

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TECHNOLOGY

ROBOTICS DEVELOPMENTS MORE LIKELY IN JAPAN AND U.S.

Scara a pointer to the future

BY ALAN CANE

SCARA is a robot designed in Japan by Professor Makino of Yamanashi University. It is a small robot with a stiff vertical shoulder and elbow at its best when inserting components in automated assembly systems.

Despite its limited abilities some 600 of these robots have now been produced in Japan by six manufacturers to use on their production lines.

Scara is, according to the market consultancy Frost and Sullivan, a pointer to the future of robot development. "It seems probable that development will most likely be in the creation of simpler robots, such as Scara, designed to undertake specific elements of assembly, rather than more complex robots capable of a range of tasks."

But it seems the thrust of these developments will be in the U.S. and Japan rather than Europe. "The motor for the development of robotics is in the main to be found in Japan and the U.S. Few fundamentally new developments are expected from European research programmes, although some centres of excellence exist."

The conclusions are contained in a new report from Frost and Sullivan* which looks at the market for robots in each European country and assesses their contribution to the development of automated manufacture.

It estimates that Europe's robot population has nearly tripled in the past two years and is likely to grow by 30 per cent a year until 1986.

It suggests that growth will slow to 18-20 per cent a year after that: "The slowing of overall growth reflects both the increased size of the population

WHO IS WHO IN THE FIELD OF ROBOTICS

Unimation: Now part of Westinghouse, the recognised international robot pioneers. Manufactures the Puma robot family; the pace-setter in robot development, the company is working on vision, force sensing and conveyor tracking. 5,000 robots installed world-wide.

ASEA: Large Swedish electrical engineering company. ASEA were the pioneers in all-electric drive robots. Some 1,500 robots have been installed world-wide.

Tralita: Norwegian company with some 1,100 robots installed world-wide; built its

first robot to spray paint the wheelbarrows it then manufactured. Went into commercial robot sales in 1969 and has not looked back.

Volkswagen: Built robots for use in its own automobile factories and has now licensed General Electric of the U.S. to manufacture and market its machines. Some 300 installed world-wide.

Kuka: Swedish robot maker specialising in spot welding—600 installed world-wide.

Cincinnati Milacron: Huge U.S. machine tool manufacturer which penetrated the European market when Volvo

placed on order for 40 robots in 1980. Major sales to Ford, British Leyland and Volvo.

Acma-Cribier: Engineering subsidiary of Renault with some 400 robots installed. Primarily selling to a captive market but making its system commercially available to others.

Others (with less than six per cent of the European market) include: Coman, Kanfield, Nimak, Falrey Automation, Hall Automation, ZF, DEA, Prab, Olivetti, Basler, Retz, Yaskawa, and Jung-Henrich.

base and a slowing of demand in some applications due to an approach to saturation."

The value of the market is likely to be about \$230m in 1986 and \$350m in 1990 (1981 prices), the report suggests.

So who will buy all these robots, from whom and for what? Frost and Sullivan suggests that manufacturers are taking an increasingly mature view of robotics. Robots are now seen not as individual components, but as parts of systems, including other machinery such as numerically controlled (NC) machines.

The automobile industry is already the major user of robots; there have always been good investment attitudes in the industry, the report says and: "even the usually cautious managements in the United Kingdom have recently invested some £500m for the installation of more than 200 robots in British Leyland and Ford plants."

The car industry's share of the robot market will inevitably decline as other industries make greater use of robot-based systems. The electronics industry, for example, is already beginning to assemble printed circuit boards using, for example, Puma robots built by Unimation of the U.S.

Among other industries covered in the report are electrical engineering, mechanical engineering, metal, rubber and plastics, ceramics and glass and aerospace: "The development of robotics in the European aerospace industry is being spurred by advances in state-of-

the-art manufacturing techniques. In Denmark, Per Udsen is studying the use of robotics in manufacturing pylons for an aerospace programme in Holland."

It goes on to point out that although the domestic market is still dominated by foreign companies like Unimation, Hall Automation, now part of GEC, holds 3.5 per cent of the UK market: "The UK has not installed as many robots as its European competitors."

"Many of those were installed because of health and safety rather than simply for an increase in productivity—this is not so much because of union attitudes, which are surprisingly good towards robot usage, but because of cautious management."

The report carries the by now customary warnings about the Japanese threat, arguing that European manufacturers show indifference to the import threat.

It says that in five years time, Japanese suppliers will have established a significant market share: "We expect the Scara robot to make a major impact in Europe and forecast that European robot producers will have to fight hard during the 1980s to retain the major share of their market for domestic production—otherwise, imports of Japanese and U.S. origin may take up to 40 per cent of the European market by 1990."

*Industrial Robots in Western Europe: Frost and Sullivan is on 01-488 8377 in London, 212-233-1080 in New York.

Indeed so strong is the research and development at IPA, it is

difficult to imagine any other European group approaching its status on width and depth of experience."

Or the UK, the study notes that although the domestic market is still dominated by foreign companies like Unimation, Hall Automation, now part of GEC, holds 3.5 per cent of the UK market: "The UK has not installed as many robots as its European competitors."

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TERMINALS LINK-UP

Teletex connection a step nearer

BY GEOFFREY CHARLISH

THE PROSPECTS for teletex-connecting office word processors and other terminals via a public telephone line direct to similar terminals elsewhere comes a step nearer with an announcement from GEC Information Systems group of a teletex interface package.

To be marketed by Reliance Electronics, the package will qualify for grants under the Government scheme in which companies installing teletex will have to pay up to half the cost.

Reliance says the GECIS design is the idea that all the word processors, data terminals, computer stores and so on in a company should have access to teletex. So the basic is a unit called a "server" basically an eight port (input/output) interface that allows multiple access operating on a store and forward basis to avoid users finding the teletex outgoing channel engaged.

Ideally the server will work in conjunction with a digital PABX (private automatic branch exchange) such as the SL-1 that Reliance offers. Then, perhaps as many as 100 terminals can be connected to the PABX in much the same way as 100 telephone extensions. The PABX is in turn connected via eight lines to the server's eight ports.

The server can accommodate all the traffic (on the assumption that 100 terminals will not all be in use at once) and will then act as a store and forward basis—will teletex's true advantages be realised.

Welding

British inside system

BORE welding is a difficult process, particularly if the tubes to be welded are of small diameter. Normally the welding is carried out from the outside of the tube, but now Foster Wheeler Automated Welding (17 Stadium Way, Tilbury, Reading, Berks 0734 415678) is offering its British designed bore welding system capable of welding tubes down to nine millimetres.

A common application is in the manufacture of shell and

tube heat exchangers. In this application the bore welding torch can reach into the inside of the exchanger to butt weld the tubes on to the inside face of the tube sheet. This is normally known as "back face welding".

The company claims that its new system offers better mechanical and corrosion properties. Full technical advice and a brochure is available from the company.

MAX COMMANDER

Plotting

Speeding production

CALMA has a new electrostatic plotter that can work 10 times as fast as a conventional pen plotter and is designed to speed the production of high resolution hard copy output from the company's GDS computer-aided printed board and microelectronics design systems.

After a car is called by a passenger, the computers reduce waiting time by analysing each car's status to ensure selection of the car that can answer the call fastest without degrading the service to other users. The selection is checked five times each second to see whether another car might better answer the call.

The lifts use direct thyristor controlled DC drive rather than a motor-generator set and are claimed to provide the best "ride" of any system on the market. Otsis in the UK is one 01-735 9131.

Moulding

New 3-M products

SEVERAL new products have been added to the 3-M range of fluoropolymers for moulding applications. Under the brand name Fluor, the company has launched three new fluoropolymers. 3-M says that the fluoropolymers give improved chemical resistances. More on 0344 26725.

Lifts

Installation by Otis

ALTHOUGH it was announced more than a year ago, Otis has just inaugurated the first installation in Europe of its Eletronic "brakay" lift system, at Devonshire House just off Piccadilly.

The company claims that its new system offers better mechanical and corrosion properties. Full technical advice and a brochure is available from the company.

MAX COMMANDER

THE MORE INTELLIGENT CHOICE.

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demand, load and car positions in addition to constantly monitoring the status and safety of all the major operating components.

Known as Principle, the passenger is easy to set up and there are none of the problems of overshoot, running away or mechanical arm failure which can make the pen plotter a potentially weak link in the design process.

At the same time, the PAXX is available for interconnection of the terminals within the company (like an internal telephone call).

If the organisation does not possess a digital PABX, the server can be used on its own. Then, the ports are connected directly to the user terminals and the public exchange line.

The teletex server can operate at either 1200 or 2400 bits/sec—the latter speed is about 30 times that of teletex.

Stuart Crowther, Reliance's general manager for telecoms, thinks that companies should avoid thinking of teletex simply as a faster telex with upper and lower case.

He says: "Its main virtue is not speed at all but its ability to be accessed from any of the organisation's existing word or data processing units or direct from a local area network or a computer store."

He believes that only when the teletex line is as accessible to terminal users as the telephone lines are to extension users on a simple dial-out basis will teletex's true advantages be realised.

The server can accommodate all the traffic (on the assumption that 100 terminals will not all be in use at once) and will then act as a store and forward basis—will teletex's true advantages be realised.

MAX COMMANDER

Twisting

Wire stripper

ERASER International's Rush Wire Stripper Division has developed the Ti-Mix Wire Twister for the production of twisted pairs from pre-cut wires. The unit, bench mounted, is capable of twisting wires up to 23 swg in almost any length. Weighing 11 kg, two versions are available at 220/240 volt 50 Hz and 110 volt 60 Hz. More on 0264 51247.

UNCHANGEABLE
IN A SEA OF
CHANGE

Tomorrow's office will be different in almost every way—new knowledge, new tasks, new organization, new equipment. Yet the most important component will remain the same.

Man himself.

So you'll have to adapt all these new changes to fit human capabilities and limitations.

That applies specifically to the new information systems your company will need to make your business more competitive on all levels. That's why Ericsson gave ergonomic considerations such a high priority when they designed the systems they're installing now.

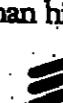
Ergonomics is the science of adapting work to man's inherent capabilities. To us, that's not just a matter of designing hardware that relieves strain on muscles and sinews and is kind to eyes and backs.

Ergonomics applies to software, too. Things like making person-to-computer dialogue natural and easy. Giving the user a free choice of voice, data, text, or pictorial communication via the same system. Keeping people instantly reachable wherever they are, on or off the premises. Making the whole system more user friendly.

It's ergonomics that made our Alfaskop terminal a best-seller in many countries. In fact, all Ericsson hardware is ergonomically designed—like the Ericsson teletex terminal that has built-in menu functions and "help" buttons to make it even easier to operate. So is Ericsson software—like the new, easy-to-learn Genius programming language. Tests have shown that it can increase the user's productivity fivefold!

Best of all, the system is future proof. Whatever the services you'll need, whatever the technical or ergonomical advances, they can be incorporated into our systems without disruption.

You'll only need a new system if man himself should ever change.

ERICSSON 
Information Systems

Ericsson is communications, data processing and office automation, integrated for the office of tomorrow. Both hardware and software. Systems analysis and design, engineering, service and training. Ericsson has 70,000 employees, more than \$2.5 billion in sales, and over a century's experience in international telecommunications.



NOTICE OF REDEMPTION

HCA FINANCE N.V.

8 1/4% Convertible Subordinated Debentures Due 1996

(Convertible into Shares of Common Stock of, and unconditionally Guaranteed on a Subordinated Basis as to Payment of Principal, Premium, if any, and Interest by Hospital Corporation of America)

Redemption Date: May 6, 1983
Conversion Right Expires: May 6, 1983

HCA Finance N.V. has called for redemption on May 6, 1983 all of its outstanding 8 1/4% Convertible Subordinated Debentures Due 1996. The redemption price is 104 1/2% of the principal amount of Debentures plus accrued interest to May 6, 1983 of \$5.10 for each \$1,000 principal amount of Debentures, for a total of \$1,045.10 for each \$1,000 principal amount of Debentures. The Debentures are convertible into shares of Common Stock of Hospital Corporation of America until the close of business on May 6, 1982, at a conversion price of \$32.65 per share or 30.65 shares of Common Stock for each \$1,000 principal amount of Debentures. As described below, based upon current market prices, the market value of the Common Stock into which each Debenture is convertible is significantly greater than the amount of cash which would be received upon surrendering such Debenture for redemption. All rights to convert the Debentures into Common Stock of Hospital Corporation of America expire at the close of business on May 6, 1983.

NOTICE IS HEREBY GIVEN to the holders of outstanding 8 1/4% Convertible Subordinated Debentures Due 1996 (the "Debentures") of HCA Finance N.V. ("Finance") that in accordance with the terms of the Indenture dated as of April 15, 1981 (the "Indenture"), among Finance, Hospital Corporation of America (the "Company"), as Guarantor, and Continental Illinois National Bank and Trust Company of Chicago, as Trustee, Finance has elected to redeem all of the outstanding Debentures on May 6, 1983 (the "Redemption Date"), at a redemption price of 104 1/2% of the principal amount thereof plus accrued interest from April 15, 1983 to May 6, 1983, or an aggregate of \$1,045.10 for each \$1,000 principal amount of Debentures. Debentures together with all attached unmatured interest coupons should be surrendered for payment of the redemption price and accrued interest at the option of the holder either (a) (by hand) to Continental Illinois National Bank and Trust Company of Chicago, 30 North LaSalle Street, Chicago, Illinois 60693, Attention: Corporate Trust Operations, or (b) (by mail) to Continental Illinois National Bank and Trust Company of Chicago, 231 South LaSalle Street, Chicago, Illinois 60693, Attention: Collection Division, or (b) subject to any laws or regulations applicable thereto in the country of any such office, to the offices of the additional Paying and Conversion Agents set forth below. Payment of the redemption price and accrued interest will be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment at the offices referred to in (b) above shall be made, at the direction of the holder, by check drawn on, or transfer to a United States dollar account maintained by the payee with a bank in the Borough of Manhattan, the City of New York.

On the Redemption Date, the redemption price (plus accrued interest) will become due and payable upon each Debenture and interest thereon will cease to accrue on and after May 6, 1983. After the Redemption Date, the Debentures will no longer be outstanding in the hands of the holders thereof, and all rights of the holders with respect thereto, including accrual of interest, will cease on and after such date, except only for the right to receive the redemption price and interest accrued to May 6, 1983.

There have been no prior redemptions of the Debentures and, as a result, there have been no Debentures previously called for redemption and not presented for payment.

The election of Finance to redeem all of the outstanding Debentures has been made pursuant to the fifth paragraph of the form of Debenture. The condition precedent to the right of Finance to redeem the Debentures pursuant to such fifth paragraph has occurred because the reported last sale price per share of Common Stock of the Company ("Company Common Stock") on the New York Stock Exchange on each day on which there was such a reported last sale price within the 30 days immediately preceding the 20th day preceding the date upon which this Notice of Redemption was first published was at least 130% of the Conversion Price (as defined in the Indenture) in effect on such day.

CONVERSION OR SALE ALTERNATIVES

Debentureholders have, as alternatives to redemption, the right to sell their Debentures through usual brokerage facilities or, on or before the close of business on May 6, 1983, to convert such Debentures into Company Common Stock. The right to convert the principal of the Debentures will terminate at the close of business on May 6, 1983.

The Debentures may be converted into Company Common Stock at the rate of 30.65 shares for each \$1,000 principal amount of Debentures. In order to effect this conversion, a Debentureholder should complete and sign the CONVERSION NOTICE on the Debenture, or a substantially similar notice, and deliver the Debenture and signed notice (a) (by hand or by mail) to Continental Illinois National Bank and Trust Company of Chicago, 30 North LaSalle Street, Chicago, Illinois 60693, Attention: Corporate Trust Operations, or (b) subject to any laws or regulations applicable thereto in the country of any such office, to the offices of the additional Paying and Conversion Agents set forth below. Upon conversion of Debentures, no payment or adjustment will be made on account of any interest accrued thereon or on account of any dividends on the Company Common Stock issued upon such conversion. Debentures delivered for conversion must be accompanied by all interest coupons maturing after the date of surrender. No fractional shares are issuable upon conversion. Debentureholders will receive cash, in lieu of any fractional share, in an amount equal to such fraction multiplied by the last reported sale price of the Company Common Stock, regular way, on the New York Stock Exchange on the day upon which Debentures are surrendered for conversion.

From January 1, 1982, through March 23, 1983, the Company Common Stock traded on the New York Stock Exchange at prices ranging from \$48 1/2 to \$18 1/2 per share. The closing price of the Company Common Stock on the New York Stock Exchange on March 23, 1983, was \$47 1/2 per share. At such closing price per share, the holder of \$1,000 principal amount of Debentures would receive, upon conversion, shares of Company Common Stock and cash for the fractional interest having an aggregate value of \$1,467.37. However, such value is subject to change depending on changes in the market price of Company Common Stock. SO LONG AS THE MARKET PRICE OF THE COMPANY COMMON STOCK EXCEEDS \$34 1/2 PER SHARE, DEBENTUREHOLDERS UPON CONVERSION WILL RECEIVE COMPANY COMMON STOCK AND CASH IN LIEU OF ANY FRACTIONAL SHARE HAVING A GREATER MARKET VALUE THAN THE CASH WHICH THEY WOULD RECEIVE UPON REDEMPTION. FAILURE TO SURRENDER DEBENTURES FOR CONVERSION BEFORE THE CLOSE OF BUSINESS ON MAY 6, 1983, WILL AUTOMATICALLY RESULT IN REDEMPTION ON MAY 6, 1983, BY FINANCE AT A PRICE OF \$1,045.10 FOR EACH \$1,000 PRINCIPAL AMOUNT OF DEBENTURES.

IMPORTANT FINANCIAL FACTS ABOUT THE ALTERNATIVES:

Market value of Company Common Stock (including fractional share) into which each \$1,000 principal amount of Debentures is convertible (based upon the last reported sale price of the Common Stock on the New York Stock Exchange on March 23, 1983, of \$47 1/2 per share) \$1,467.37

Redemption Price (including accrued interest) for each \$1,000 principal amount of Debentures \$1,045.10

ADDITIONAL PAYING AND CONVERSION AGENTS

Continental Bank International
520 Madison Avenue
New York, New York 10022
Attention: Mr. Andries Jansma
Telephone: (212) 508-1000

Algemeene Bank Nederland N.V.
32, Vrijheidstraat
PO. Box 669
1000 EG Amsterdam, Nederland
Attention: Mr. G. A. R. Bloemers
Telephone: 31-20-29-9111

Deutsche Bank A.G.
10-14 Grosse Gallus Strasse
Frankfurt/Main, Federal Republic
of Germany
Attention: Dr. Siegfried Weber
Telephone: 49-611-2141

Banque Nationale de Paris
16 Boulevard des Italiens
PO. Box 75450
Paris, France
Attention: Mme. Veinante
COT Service étranger USA
Telephone: 331-244-4546

Continental Illinois National Bank
and Trust Company of Chicago/Branch
Continental Bank House
162 Queen Victoria Street
London EC4V 4BS England
Attention: Mr. Haruo Yoshida
Telephone: (44-1) 256-7444

Banque Bruxelles Lambert S.A.
Mamix 24
Brussels, Belgium B-1050
Attention: Mr. Jean-Pierre Wellens
Telephone: 322-517-2111

Banque Générale du Luxembourg, S.A.
14 Rue Aldringen
Luxembourg, Luxembourg
Attention: Michel Lenz
Telephone: 352-4799-1

Swiss Bank Corporation
Aeschenvorstadt 1
Basle, Switzerland
Attention: Wildi Kurt
Telephone: 061-20-20-20

The method of delivery is at the option and risk of the holder, but, if mail is used, registered mail, return receipt requested, is suggested.

For HCA Finance N.V.

William W. McInties
Managing Director

This Notice of Redemption is not and under no circumstances is to be construed as an offer to sell or as a solicitation of an offer to buy any of the securities of Finance or of the Company. Copies of a prospectus relating to shares of the Company's Common Stock issuable upon conversion of Debentures may be obtained from any of the Conversion Agents named above.

IT IS URGENT THAT DEBENTUREHOLDERS GIVE THIS MATTER IMMEDIATE ATTENTION.
FAILURE TO CONVERT YOUR DEBENTURES TO COMPANY COMMON STOCK PRIOR TO THE CLOSE OF BUSINESS ON MAY 6, 1983 COULD RESULT IN MONETARY LOSS TO YOU.

Dated: April 5, 1983

APPOINTMENTS

board of HOGG ROBINSON the company's northern and GROUP.

* Mr. Richard A. Freeman has been appointed a director of CHARTERHOUSE JAPNET. Mr. Roy C. Bowley, Mr. Christopher L. Collins, Mr. Michael R. Harverages and Mr. P. Howard W. Dix have been appointed assistant directors.

* Mr. David Pond, principal accountant of the SPORTS COUNCIL, has been appointed to the new post of director of finance.

* CRODA INTERNATIONAL has appointed Mr. R. E. Poskitt as an associate director. He is responsible for central control of the group's accounting and treasury functions.

* Mr. John D. Badger, joint managing director of STAG FURNITURE HOLDINGS, has become non-executive deputy chairman of the group. He will act as principal adviser to the group on manufacturing and capital expenditure. Mr. Patrick N. Cleary, who joined Stag in September 1982 as joint managing director, takes over as group managing director on the same date.

* Mr. D. C. Balme, Mr. D. R. Mawar, Mr. K. J. Salway and Mr. D. L. Sutherland have been appointed directors of C. T. BOWRING REINSURANCE.

* Mr. Michael Robertson has been appointed a director of CLOUGH SMITH with responsibility for

The London branch of CONTINENTAL NATIONAL BANK AND TRUST OF CHICAGO has made the following appointments: Mr. Christopher J. Collins has been named a second vice-president. In special industries services Mr. Christopher J. Long has been promoted to second vice-president from second vice-president. Mr. Miroslaw Ideniek has been promoted to second vice-president from banking officer and Mr. John T. McCullagh has been named a banking officer. Mr. Robert D. McFarlane has been named a second vice-president and Mr. Robert J. Enteman Jr. a bond officer in the financial futures division.

BASE LENDING RATES

A.B.N. Bank	10 1/2%	Gulmara Mahan	10 1/2%
Al Baraka International	10 1/2%	Hambros Bank	10 1/2%
Allied Irish Bank	10 1/2%	Hortobágyi & Gen. Trust	10 1/2%
Amro Bank	10 1/2%	Hill Samuel	10 1/2%
Henry Ansbacher	10 1/2%	C. Hoare & Co.	10 1/2%
Arbuthnott Latham	10 1/2%	Hongkong & Shanghai	10 1/2%
Arco Trust Ltd.	10 1/2%	Kingsnorth Trust Ltd.	12 1/2%
Associates Cap. Corp.	11 1/2%	Knowsley & Co. Ltd.	11 1/2%
Banco de Bilbao	10 1/2%	Lloyds Bank	10 1/2%
Bank Hapoalim B.M.	10 1/2%	Midland Bank Limited	10 1/2%
BCI	10 1/2%	Edward Manso & Co.	12 1/2%
Bank Lamont (UK) plc	10 1/2%	Morgan Grenfell	10 1/2%
Bank of Cyprus	10 1/2%	National Westminster	10 1/2%
Bank Street Sac. Ltd.	10 1/2%	Norwich Gen. Inv.	10 1/2%
Banka Belge Ltd.	10 1/2%	Portuguese Inv. Co.	10 1/2%
Barclays Bank	10 1/2%	Rosburgs' Guarantees	11 1/2%
Beneficial Trust Ltd.	11 1/2%	Standard Chartered	10 1/2%
Brennan Holdings Ltd.	11 1/2%	Trade Dev. Bank	10 1/2%
Brown Shipley	11 1/2%	Trustee Savings Bank	10 1/2%
Canada Perft' Trust	11 1/2%	TCB	10 1/2%
Castle Court Trust Ltd.	11 1/2%	United Bank of Kuwait	10 1/2%
Carter, Clegg & Co.	10 1/2%	Volkssas Indl. Ltd.	10 1/2%
Chase Holdings	11 1/2%	Westpac Banking Corp.	10 1/2%
Charterhouse Japnet	10 1/2%	Wiseaway & Andow	11 1/2%
Chorlton	11 1/2%	Williams Glynn	10 1/2%
Citibank Savings	10 1/2%	Winton Secs. Ltd.	10 1/2%
Clydesdale Bank	10 1/2%	Yorkshire Bank	10 1/2%
C. E. Coates	11 1/2%	■ Members of the Accepting Houses Committee	
Comm. Bk. of N. East	10 1/2%	7-day deposit 7 1/2% 1-month 7 1/2% Short-term 10,000/12-month 10 1/2%.	
Consolidated Credits	10 1/2%	Co-operative Bank	10 1/2%
Duncan Lawrie	10 1/2%	The Cyprus Popular Bk	10 1/2%
E. T. Trust	11 1/2%	Duncan Lawrie	10 1/2%
Exeter Trust Ltd.	11 1/2%	£10,000 7 1/2% £10,000 up to £50,000 8 1/2% £50,000 over 9%.	
Fair, Nat. Inv. Corp.	11 1/2%	£10,000 7 1/2% £10,000 up to £50,000 8 1/2% £50,000 over 9%.	
Fleet Natl. Secs. Ltd.	11 1/2%	Call deposit £1,000 and over 7 1/2% 21-day deposits over £1,000 8 1/2%.	
Robert Fraser	11 1/2%	Demand deposits 7 1/2%.	
Grindlays Bank	11 1/2%	Mortgage base rate	

A FINANCIAL TIMES SURVEY

WORLD BANKING

Part 1, 9th May, 1983

Part 2, 16th May, 1983

The Financial Times proposes to publish a Survey on the above. The provisional editorial synopsis is set out below:

PART 1

INTRODUCTION: The problems facing the world's banks have escalated rapidly over the past twelve months. Many of their domestic and international clients have run into difficulties and this has badly shaken confidence in the world banking system. Many banks are reviewing their international strategies after a decade of unprecedented foreign expansion.

Editorial coverage will also include:

World Economy

The International Interbank

Money Markets

The Oil Price and Oil Money Flows

The Problem Countries

PART 2

INTRODUCTION: The business of banking: a look at how banks are coping with the major changes in their operating environment. Increasing regulatory controls, rapidly changing customer demands, a deterioration in the economic climate, plus competition from new sorts of financial service companies are all combining to test the responsiveness of bank management. In an industry noted for its traditional conservatism the banks are playing for high stakes.

Editorial coverage will also include:

Retail Banking

Correspondent Banking

Corporate Banking

Technology

Financial Services

North America

FT COMMERCIAL LAW REPORTS

Digest of cases reported in Hilary Term

FROM JANUARY 11 TO FEBRUARY 2, 1983

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FT SURVEYS ARE KEPT

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Insurance Company of Africa v SCOR (UK) Reinsurance Co Ltd (FT, January 11).

Mr Justice Leggatt rejected SCOR's contention that it was not liable to pay the plaintiffs under a reinsurance policy because it had failed to obtain co-operation from the plaintiff when it tried to investigate allegations of fraud and arson in a warehouse fire in Monrovia. The judge said that the failure to co-operate was not in breach of a condition precedent of the policy and that the allegations of fraud and collusion were unproven. Thus the contractual agreement to "follow the settlements" had not been displaced, and SCOR had to abide by the plaintiffs' settlement, made under a Liberian court order.

Dow Banking Corporation v Bank Mellat (FT, January 12).

A loan made by the plaintiffs to an Iranian weaving company was guaranteed by the defendant bank. The loan was limited to \$6m, which Dow had recovered on default in 1981. By alleging two earlier defaults, Dow now sought to recover interest payments that would not count against the \$6m limit. Mr Justice Lloyd rejected Dow's claim on the grounds that the first demand, made in October 1982, did not clearly state what the defendants were expected to pay, and that its second demand, in November 1982, was made on a spurious pretext that the defendants and not the borrowers had paid an instalment due under the loan.

Regina v Committee of Lloyd's, ex parte Posgate (FT, January 14).

Mr Posgate was wrongly suspended by Lloyd's Committee in September 1982, the Divisional Court held. The committee acted in good faith and was faced at the time with a serious emergency because a file had been lodged in Washington against Mr Posgate and four other directors of his companies alleging fraud. However, under the then existing statutory regulations the Committee had no power to request his suspension from acting as underwriter to his companies because this request, in effect, amounted to Mr Posgate's complete suspension from Lloyd's, and to the deprivation of his livelihood.

Agreement between the members of the Association of British Travel Agents Ltd (FT, January 18).

The Restrictive Practices Court was called upon to weigh the relative advantages between the protection afforded to members of the travelling public by Abta's exclusivity and the detriment this might cause by fettering competition and impeding innovation. Mr Justice Anthony Lincoln held that any detriment to the public through Abta's considerable powers of expulsion was transcended by the cover its members afford to potential travel victims through its combination of guarantees and financial security. Abta's requirements with regard to protection, on the other hand, were not found to be justifiable, in the same way, he said.

Dowse Shipping Corporation of Norway v TPAO Guaran蒂 Insurance Co Ltd (FT, January 19).

The diesel generator of the Dafodil B broke down soon after it commenced its voyage from Sicily to Rotterdam. After consultation with the managers, who acted for the owners, the ship was sent to Larion for repair, but a race at the entrance to the harbour. The owners were entitled to a contribution for the loss from the defendant cargo owners. Mr Justice Lloyd said, because on all the facts of the case, which included distance, relative safety of the alternative ports and the views of the port captain, the deviation was a reasonable one in the circumstances.

Wolverhampton Borough Council v B & Q (Retail) Ltd (FT, January 21).

Although the defendants had committed deliberate and persistent breaches of the Shops Act, which governed Sunday trading, the borough council's application for an injunction to restrain them from further unlawful trading was refused. Section 222 of the Local Government Act 1972, which allows local authorities to institute proceedings for an injunction, applied only where continuance of the crime would cause particular prejudice to the inhabi-

tants of the council's area, Mr Justice Nourse said. The evidence pointed to prejudice to the public in general and it was in the discretion of the Attorney-General to assert a public right.

Regina v Goldstein (FT, January 25).

Mr Goldstein lost his appeal to the House of Lords that he was entitled to import Citizen Band radio sets under Article 30 of the Treaty of Rome, which calls for the prohibition of quantitative restrictions between member states. At his trial, evidence was given before the judge without the jury that he was therefore justifiable under Article 36 of the Treaty. In rejecting Mr Goldstein's contention that the jury ought to have heard the evidence, Lord Diplock said that any question as to the validity or meaning or effect of a Community instrument was unduly a question of law for the decision of the judge.

Esser Rendering Limited v Epping Forest District Council (FT, January 26).

Mr Watts and the family company he subsequently established, carried on the business of making agricultural products and feeds, all of which comprised offensive trades under the Public Health Act. Twenty years elapsed before inspectors of the local authority, who had regularly visited his farm informed him that written consent of the relevant authority was necessary before he could lawfully continue business. In 1978 the company was finally served with notice to that effect.

The House of Lords held that the Public Health Act was mandatory provision and that consent could not be given or implied by a course of conduct over a period of years.

NCW (Underwriting Agencies) Limited v Dixon (FT, January 28).

It was not the purpose of a Mareva injunction to secure priority for a plaintiff; still less to punish a defendant, Mr Justice Lloyd said in the Commercial Court. Its sole purpose was to prevent a plaintiff being cheated out of the proceeds of breaches of the criminal law, applied only where continuance of his action by the defendant dissipating the assets. Mr Dixon, in this case, could not be said

The digest of Hilary Term cases will continue tomorrow and on Friday.

AVIVA GOLDEN

AUTHORISED UNIT TRUSTS

Admiral Unit Tr. Mgmt. (a) 01-236 1833

Alpha Fund Ltd. 01-236 1825

Alpha Fund Ltd. 01-236 1827

Alpha Fund Ltd. 01-236 1829

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling looking good on oil news

BY JONAS CROSLAND

Sterling started to regain some of the 15p per cent lost since the beginning of November on news of firm price proposals from BNCN for North Sea oil. The "oil factor" has been overhanging the market for a long time now but hopefully last week's announcement and the successful bidding of BNCN's price breakdown will be reflected by an absence of any counter move by Opec, particularly Nigeria. Sterling has started and should continue to show some improvement if for no other reason than people running low on sterling in recent times because of the oil question.

The other factor to affect sterling's performance is less likely to go away however, that being the continued strength of U.S. interest rates. The market has been quite successful in feeding off its own nervousness concerning the exact position of the Federal Reserve Board. The growth in money supply, the price breakdown of BNCN, the oil price, the authorities would accept a small overshoot without applying a squeeze, in order to encourage what seems to be a mild economic upturn. However the Fed's recent absence from the open market and uncertainty over the outcome of last week's Federal Open Market Committee meeting combined to undermine market confidence. The prospect

of lower rates is small, according to many sectors of the market, despite recent comments trying to imply the opposite. One reason is the very large U.S. budget deficit which will continue to exert an influence on rates.

Last week was not a good time to look at short-term U.S. rates for some indication of things to come. End of quarter distortions combined with end of month technicalities to push overnight fed funds up over 9 per cent. The need for funds to meet payments on the Government's latest

bond offerings, which included a sizeable amount of new money, also served to keep rates high.

In the European Monetary System the D-mark claimed the novel distinction (novel for the D-mark that is) of being fixed at its floor level against the French franc, Irish punt and Danish krone. Despite the introduction of stringent austerity measures by the French however, a continuation of the wide gap in inflation rates inside and outside West Germany should ultimately see current positions within the system being reversed.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU	Currency	% change	1 month	3 month	6 month	12 month
central rates	against ECU	central rate	adjusted for divergence	Close	High	Low	Prev.
March 31				1,4835	1,4822	1,4827	1,4785
Belgian Franc ...	44,3662	55,5465	+0.42	+0.21	55,5465	55,5465	55,5465
Danish Krone ...	6,03412	7,9875	-1.03	-1.24	7,9875	7,9875	7,9875
German Mark ...	2,0075	2,0075	+0.02	-0.02	2,0075	2,0075	2,0075
French Franc ...	6,75771	6,72429	-1.01	-1.22	6,72429	6,72429	6,72429
Irish Punt ...	2,49887	2,52657	+1.23	+1.02	2,52657	2,52657	2,52657
Italian Lira ...	0,710705	0,710705	-0.97	-1.18	0,710705	0,710705	0,710705
Swiss Franc ...	1,38678	1,33449	-3.74	-3.74	1,33449	1,33449	1,33449

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

	£	\$	Notes Rate
Argentina Peso ...	95,700	99,900	67,950-7,570
Australia ...	1,075	1,075	1,055-1,1570
Brazil Cruzeiro ...	61,829	61,926	41,546-41,5170
Finland Markka ...	8,1065	8,1270	5,4780
Greek Drachma ...	1,000	1,000	10,64-10,78
Hong Kong ...	9,921	9,941	9,920-9,940
Iran Rial ...	12,65-12,79	12,72-12,75	12,72-12,75
Ireland ...	1,3300-1,430	1,4000-1,420	1,4000-1,420
W. Ger. ...	3,585-3,587	3,585-3,587	3,585-3,587
Malta ...	1,0400-1,0400	1,0400-1,0400	1,0400-1,0400
Portugal ...	1,4211	1,4211	1,4211-1,4211
Malaysian Dollar ...	3,3865	4,0000	2,920-2,920
New Zealand ...	2,625-2,627	2,550-2,550	2,550-2,550
Switzerland ...	3,0800	3,0850	2,080-2,0850
S.E. African Rands ...	1,8250	1,8365	1,0955-1,0965
U.A.E. Dirham ...	5,4365	4,450	5,6730-5,6730

*Selling rates.

THE POUND SPOT AND FORWARD

March 31	Day's spread	Close	One month	%.	Three months	%.	One year	%.
U.S. ...	1,4660-1,4660	1,4630-1,4640	0.15-0.160 pm	1.01	0.35-0.36 pm	0.88		
Canada ...	1,8050-1,8120	1,8225-1,8225	0.25-0.190 pm	1.31	0.52-0.42 pm	1.03		
Nethrlnd ...	4,005-4,006	4,005-4,006	0.02-0.02 pm	5.00	0.55-0.55 pm	0.88		
Denmark ...	7,45-7,45	7,45-7,45	0.15-0.15 pm	5.15	0.55-0.55 pm	0.88		
Ireland ...	12,65-12,79	12,72-12,75	3-5% pds	4.06	8.51-10.10	-1.68		
W. Ger. ...	3,585-3,587	3,585-3,587	0.45-0.45 pm	5.89	0.85-0.85 pm	1.38		
Malta ...	1,0400-1,0400	1,0400-1,0400	0.02-0.02 pm	1.40	0.55-0.55 pm	0.88		
Portugal ...	1,4211	1,4211	1.4211-1.4211	1.4211	1.4211-1.4211	1.4211		
Spain ...	200,75-202,75	202,25-202,65	100-200pm	13.94	40-450-500 pm	1.91		
Norway ...	10,60-10,72	10,67-10,70	9-12pm	10.67	33-36 pm	0.88		
Sweden ...	11,04-11,14	11,10-11,12	1.25-1.25 pm	1.25	5.75-7.75	0.34		
Japan ...	30,356	30,356	1.30-1.20 pm	4.23	3.65-3.65 pm	0.88		
Austria ...	25,05-25,25	25,27-25,32	11-16pm	5.16	33-39 pm	0.88		
Switz ...	3,05-3-3,10	3,081-3,084	2-12pm	5.78	5.14-5.4 pm	0.87		

Belgian rate is for convertible francs. Financial franc 72.65-72.75.

Six-month forward dollar 0.41-0.406 pm. 12-month 0.55-0.404 pm.

EXCHANGE CROSS RATES

Mar. 31	Pound Sterling	U.S. Dollar	Deutschmark	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Bogdan Franc
U.S. ...	1	1.484	1.4830	5.608	554.5	559.0	7.7870	2,145.5	1,828.5	48.20
Deutschmark ...	0.574	0.412	1	86.40	2,058	2,073	1,753	1,445.5	1,285.5	48.20
Japanese Yen ...	0.978	1.185	10.16	1	50.42	67.74	11.44	594.9	519.5	10.16
French Franc ...	0.927	1.376	5.840	557.5	1	10.16	2,867	1,987	1,695	65.80
Swiss Franc ...	0.523	0.460	1.165	11.65	1	5.467	1,511	683.0	595.5	12.18
Dutch Guilder ...	0.247	0.266	0.888	2,660	1	0.763	1,588.5	528.5	535.5	1.12
Canadian Dollar ...	0.547	0.575	1.1681	1,684	1,443	1,592	1,000	1,050	1,055	1.12
Bogdan Franc ...	0.547	0.575	1.1681	1,684	1,443	1,592	1,000	1,050	1,055	1.12

MONEY MARKETS

Upward pressure starts to dissipate

UK interest rates finished the week below their recent peaks. An improvement in the value of sterling now makes current levels look a little more tenable. How much of the recent combination of falling rates and falling sterling is attributable to "real" factors is open to question but the market has reacted well to an official reluctance to increase rates to defend sterling and the mood of the market has not necessarily been bearish but more of a "stand by your beds" attitude. There is little chance of any sudden change in the direction of U.S. interest rates (opinions may change but fundamentals do not) but sterling has obviously received some temporary relief from the latest BNCN proposals on North Sea oil prices.

Further evidence of official policy was given on Friday by Mrs Thatcher, stressing the need to maintain a downward momentum in interest rates in order not to strangle any emerging economic recovery. This could be at the expense of sterling when further comments dismissed the option of maintaining a specific exchange rate for sterling by using UK reserves. This is not an attitude that is easily implemented however as a

cautious upward creep in rates recently on sterling's weakness has shown. Conditions regarding market shortages have been favourable in helping the authorities keep the lid on short term rates. In the four days of last week the market was testing new levels. Last

week faced a total shortage of £1.6bn compared with £2.8bn for the previous five days the previous week. The Bank of England's operations in the market saw overnight interbank money finishing each day at 1 per cent. Two weeks ago sterling was testing new levels. Last

week saw some consolidation followed by a small improvement. If next week were to see this steady to firmer performance continue the market would probably start once again to look a little closer at the possibilities of a cut in base rates.

LONDON MONEY RATES

Mar. 31	Sterling	Certificate of deposit	Interbank	Local Authority deposits	Finance House Deposits	Company Deposits	Discount Markets	Treasury Bills	Eligible Banks	Trade Bills
Overnight ...	—	1.10%	—	—	—	—	6.10%	8.10%		